PwC Indonesia Transparency Report

For the year ended 30 June 2026

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In this report, 'PwC Indonesia', 'the firm', 'we', 'us', and 'our' refer to KAP Rintis, Jumadi, Rianto & Rekan. 'PwC network' and 'PwC firms' refers to the wider network of PwC member firms.

1 Message from leadership



Message from the Territory Senior Partner



Eddy Rintis

Territory Senior Partner

Welcome to our 2026 Transparency Report.

Leading through change. Building trust through quality.

Economic uncertainty, global tensions, changing regulation, and artificial intelligence (AI) are changing how businesses operate and what people expect of them. This makes trust in the information businesses report more important than ever.

At PwC Indonesia, we earn that trust through the quality of our work and the integrity of our people. Our purpose is to build trust in society and solve important problems.

Quality is not the job of one team. It shows in the decisions our people make every day: questioning what they are told, testing it against evidence, and seeking advice when a matter is difficult.

Serving clients well starts with understanding their concerns, which now go beyond their financial results to include risk, cybersecurity, regulation, sustainability, and data. We are building the skills to help, without compromising on quality.

AI and other technology are changing how we work and helping us improve quality. They also make human skills more valuable: critical thinking, sound judgement, and ethical decisions. That is why we invest in our people as much as in our technology.

This report explains how we manage quality, uphold our values and independence, develop our people, carry out our audits and check our work, and how we fit within the global PwC network. Building trust is an ongoing commitment, and we will keep improving as expectations change.

Message from Assurance Leadership



Jumadi Anggana

Territory Assurance Leader
FY26

Jumadi – Territory Assurance Leader, FY26

Investors, regulators, boards, and the wider business community rely on our work for confidence in the financial and non-financial information that companies report.

In FY26, we strengthened how we manage quality so that our teams apply sound judgement and meet professional standards on every engagement. Quality shapes how we train our people, how we use technology and how we review and improve our work.

Clients increasingly look to us for assurance beyond their financial statements, and this wider scope brings new quality risks. We respond by learning from our reviews and continually refining how we work, while our principles remain unchanged: independence, objectivity, and conclusions grounded in evidence.

The progress set out in this report reflects the professionalism and commitment of our partners and staff, and I thank them sincerely. As this is my final message as Territory Assurance Leader, I am pleased to hand over to Subianto, whose depth of audit experience and broad perspective across our services position him well to lead the next phase.



Subianto

Territory Assurance Leader
FY27

Subianto – Territory Assurance Leader, FY27

I am grateful to Jumadi and our teams for the strong foundation they have built. Quality remains our first priority and, as our use of technology grows, one principle will guide how we protect it: keeping a human in the loop.

We will make greater and more responsible use of technology, including AI. These tools help us cover more ground and probe more deeply, but they do not replace professional judgement. Our people direct them, challenge what they produce, and interpret the results, so every conclusion we reach remains a human one.

A human in the loop is only as strong as the people in it. We will continue to invest in their skills, reinforce a culture that puts quality first, and strengthen collaboration across our teams, so that we can support organisations on complex matters spanning financial reporting, sustainability, and governance.

Quality is the foundation of the trust placed in our work and of our long-term growth. We will continue to grow, but never at the expense of quality. That is our commitment to everyone who relies on us.

Year in review

Audit quality in 2026:
How we review our audits, what our clients tell us and how we resource them.

1. Audit quality reviews *How we check the quality of our audits, internally and externally*

Internal inspections *Network inspection programme of our completed audits*

2026
10/10
Audit files compliant

10 audit files reviewed, 0 non-compliant

2025
10/10
Audit files compliant

10 audit files reviewed, 0 non-compliant

Compliant Non-compliant

External reviews

1 audit file from public interest entities (PIE) audits was inspected by external parties in 2026.

0 In 2026, there were no instances in which findings identified during external audit inspections resulted in a restatement.

Real-Time Reviews *Review of selected engagements while in progress, with coaching for the team*

44 files reviewed

3,946 hours spent on Real-Time Reviews

84% coverage of partners and directors

2. What our clients say about us *How our audit quality is experienced by those we serve*

8.59 / 10 average **Audit Quality Score**

Clients' average rating of our audit quality, out of 10, in our client feedback survey.

96% agree that PwC identifies key risk areas and adjusts its focus as the audit progresses.

96% agree that PwC communicates its audit delivery plan to them.

96% agree that PwC understands their industry and business.

93% agree that PwC is able to challenge them.

94% agree that PwC gives them timely, relevant updates.

95% agree that PwC uses audit technology.

3. How we resource our audits *Leverage ratios of audit-related hours: how we staff teams for oversight and coaching*

Partner to manager
1 to 3.3
▲ + 0.4 from 2025

Manager to staff
1 to 14.6
▼ - 0.6 from 2025

Partner to staff
1 to 48.2
▲ + 4 from 2025

Our people

Audit quality depends on our people: who they are, what they tell us, and how we train and support them.

1. Who our people are *The experience and capacity behind every assurance engagement*

74
Assurance partners and directors

25 years
average professional experience of our partners

1,900+
Assurance professionals

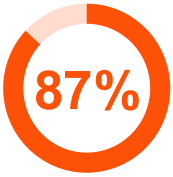
74%
utilisation rate of our Assurance people

73%
overall retention rate of our people

2. What our people tell us *Global People Survey: how our people experience quality in practice*



of our partners and staff took part in the survey.



of respondents feel encouraged to deliver high-quality audits.



84% of our people feel they get the coaching and guidance they need to do quality work.

92% of our people feel encouraged to experiment, take on new challenges, and learn from mistakes.

89% of our people say they can develop and apply new skills.

92% of our people say their teams draw on diverse perspectives and consult specialists when needed.

89% of our people say their colleagues act in line with PwC's Code of Conduct.

3. How we train and support them *Two ways we build our people's skills: formal training and on-the-ground coaching*

Skills development: formal training

Year to 31 December 2025

180,000+ hours
of training across technical and non-technical topics

Technical training: average hours per person, by grade

Associates	Senior associates	Managers to partners
103 hours	86 hours	66 hours

Human-led AI:



of our Assurance people have access to firm-approved AI tools

On-the-ground support:

1 to 6 ratio of technical support Partner to Assurance Partners

providing specialist technical accounting and audit methodology support to engagement teams.

2 Our approach to quality





Our approach to quality

International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB) approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1. This standard, which became effective on 15 December 2022, required all firms to design and implement its requirements and evaluate their System of Quality Management (SoQM) under the new standard by 15 December 2023.

ISQM 1 is an objectives-based approach that expects firms to have an SoQM that operates in a continuous and iterative manner, taking into consideration the conditions, events, circumstances, actions, and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real-time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement, and operate an SoQM that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective system of quality management.

Statement on the firm's System of Quality Management

During the year, we completed our evaluation of the firm's SoQM under ISQM 1. On behalf of PwC Indonesia, the Territory Senior Partner has evaluated whether the firm's SoQM provides reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances

Based on all relevant information about the firm's SoQM, as at 30 June 2026, we believe our SoQM provides us with reasonable assurance that the quality objectives of ISQM 1 noted above are being achieved.

Our quality framework and objectives

Quality is central to what we do, and our stakeholders expect it. The PwC network's Quality Management for Service Excellence (QMSE) framework, aligned with ISQM 1, builds quality into how each firm conducts its business. Our SoQM follows its logic: an overall objective, specific objectives that support it, and a process to manage the risks.

Overall quality objective

To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes, and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders.

Specific objectives that support it

To achieve this, our SoQM sets objectives for each ISQM 1 component set by the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of clients and engagements
- Engagement performance
- Resources
- Information and communication

Where this report covers them

Culture and values
Governance and leadership • ethical requirements • objectivity and independence • relationships sustainability

Our people
Human resources • learning and education

Our audit approach
Tools and technological resources • reliability and security • engagement performance

Our quality management process

The QMSE framework as outlined above and its elements are integrated and aligned across the PwC network into a comprehensive, holistic, and interconnected quality management framework, which each firm tailors to its own circumstances. Each firm is responsible for using the resources the network provides, as part of our shared effort to deliver quality that meets the expectations of our stakeholders.

Achieving our quality objectives is supported by our Quality Management Process (QMP), established by our firm and Assurance leadership, business process owners, and partners and staff. It includes:

1. **Identify** — **Risk assessment** *See page 11*
   Identifying risks to achieving our quality objectives.
2. **Respond** — **Risk assessment** *See page 11*
   Designing and implementing responses to the assessed quality risks.
3. **Monitor** — **Predict · Prevent** *See page 11*
   Monitoring the design and operating effectiveness of our policies and procedures through process-integrated monitoring, such as Real-Time Assurance and Assurance Quality Indicators.
4. **Improve** — **Learn** *See page 12*
   Continuously improving our SoQM where areas for improvement are identified, by performing root cause analyses and implementing remedial actions.
5. **Reinforce** — **Reinforce** *See page 12*
   Establishing a quality-related Recognition and Accountability Framework that sets clear expectations of quality behaviours and outcomes, and reinforces them through consistent, transparent use in appraisals, remuneration, and career progression decisions.

Meeting ISQM 1 and Indonesian standards

This report covers our financial year from 1 July 2025 to 30 June 2026 (FY26). Our SoQM is designed to meet both ISQM 1, applied across the PwC network, and the Indonesian quality management standards, which transitioned from SPM 1 to SMM 1 on 31 December 2025.

	Before 31 December 2025	*Transition in FY26*	From 31 December 2025
Indonesian standard	**SPM 1**	→	**SMM 1**
International equivalent	Equivalent to ISQC 1		Equivalent to **ISQM 1**

Effective from 31 December 2025, *Standar Pengendalian Mutu* 1 (SPM 1) was then superseded by *Standar Manajemen Mutu 1* (SMM 1), which was prepared with reference to the ISQM 1. PwC Indonesia has designed its SoQM to meet the requirements of both ISQM 1 and its local quality management standards.

Our firm's System of Quality Management

PwC Indonesia's SoQM must be designed, implemented, and operated continuously to achieve the quality objectives. This process, our QMP (page 10), includes monitoring, assessing, evaluating, reporting, and responding to changes in quality risks arising from the firm's internal and external environment.

Our approach is therefore risk-based, not rule-based: we design and implement responses to the risks identified in our own risk assessment, considering the conditions, events, circumstances, actions, or inactions that may affect our SoQM and our ability to achieve the quality objectives.

We evaluate our SoQM annually for the year ended 30 June, our financial year-end. Unless otherwise stated, the data in this report covers the same period.

Our risk assessment process

Our SoQM helps us identify and respond to factors that affect our ability to achieve our overall quality objective. It includes a risk assessment of the quality objectives identified in the QMSE framework. We consider how, and to what degree, a condition, event, circumstance, action, or inaction may adversely affect achievement of the quality objectives, which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the risk assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

A quality risk is one that has a reasonable possibility of occurring and, individually or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

Aim to predict:



Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that help our Assurance leadership team identify potential risks to quality early, using metrics to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, together with other performance measures, are a key tool for the ongoing monitoring and continuous improvement of our SoQM. We assess performance against our AQIs quarterly.

Aim to prevent:



Real-Time Assurance

We have developed a Real-Time Assurance (RTA) programme that provides preventative monitoring to coach and support engagement teams in completing the 'right work' in real time, during the audit.

Our RTA programme includes Real-Time Reviews targeted at specific engagements and focus areas. An experienced practitioner and Risk &Quality personnel perform these reviews, which benefit practice teams by sharing best practices and coaching on accounting and auditing matters throughout the review process.

Learning from findings and reinforcing quality

The Monitoring section (page 30) describes how we monitor our SoQM, both continuously and periodically, so that we have reliable information about how it is working and can fix deficiencies promptly. A root cause analysis programme supports this.



Learn: Root Cause Analysis

Root cause analysis identifies why findings arise so we can act to improve audit quality. It helps us understand what our findings reveal about our SoQM and how we can help engagement teams deliver quality audits. We consider findings from all sources, including:

- Ongoing monitoring of our SoQM
- Network inspections of our SoQM
- Internal and external inspections of audits, with and without deficiencies
- Other inputs, such as our Global People Survey, restatements, and accounting errors

For individual audits, an objective team of root cause specialists reviews engagement information, interviews team members, and examines selected working papers. They identify the factors behind the audit's quality, such as technical knowledge, supervision and review, professional scepticism, resourcing, and training.

We also compare audits with and without findings to identify the factors linked to audit quality, and apply what we learn across all our audits and the wider practice.



Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) sets clear expectations for quality behaviours and outcomes, and holds partners and staff accountable for meeting them, going beyond compliance alone. It shapes how we serve clients, work with our people, and sustain a culture of quality through four elements:

- Quality outcomes: We measure progress against our quality objectives through transparent outcomes that reflect compliance with professional standards, PwC network standards, and our own policies.
- Behaviours: We define the behaviours that support quality, including tone at the top and active engagement with our quality objectives.
- Interventions/recognition: We intervene where needed and recognise good practice to reinforce a culture of quality.
- Consequences/reward: We apply financial and non-financial consequences and rewards, proportionate to outcomes and behaviours, that incentivise the behaviours needed to achieve our quality objectives.

Twice a year, as part of performance ratings, firm leadership assesses every partner and staff member against quality-based criteria communicated across the firm.

3 Culture and values



Culture and values

Our culture of quality

Across the PwC network, quality means consistently meeting stakeholder expectations and complying with all applicable standards and policies. It depends on a culture in which quality is the responsibility of everyone of the PwC network's 369,945 people across 135 countries[1], and strengthening it is a priority for global and local leaders and a key measure of their performance.

Our purpose and values

Our purpose is to build trust in society and solve important problems. Our strategy defines what we do; our culture, values, and behaviours shape how we do it. Together they underpin our SoQM.

Companies are now judged on more than financial results, including on issues such as environmental, social, and governance (ESG) and cybersecurity. Through 'trust in what matters', we extend assurance beyond the financial statements, because if it needs to be trusted, it needs to be assured. In everything we do, we act with integrity, make a difference, care, work together, and reimagine the possible.

Tone at the top

Our Territory Senior Partner and leadership team communicate regularly with all partners and staff on our commitment to quality, covering what we do well and where we must improve. Engagement partners reinforce these messages, and leaders role-model the expected behaviours with clients and teams.

Quality management assessment

Every PwC firm must maintain a comprehensive SoQM, assess its performance annually, and report the results to global leadership. Where results fall short, a remediation plan is agreed and local leaders are personally responsible for delivering it.

Strengthening our culture

Beyond tone at the top, we:

- Encourage teams to discuss and give feedback on expected behaviours
- Set quality objectives for every partner and staff member and assess them in performance reviews
- Communicate regularly on why quality matters
- Make quality a key requirement for admission as partner or director

Assessing our culture

- Global People Survey: leadership reviews results and agrees actions, such as mandatory coaching training.
- Focus groups, exit surveys, and interviews: findings and root causes are reported to leadership.
- Real-Time Reviews and upward feedback: show how quality behaviours play out on engagements.

Audit Quality Measure

Global People Survey

87%

Quality Behaviour Index
(2025: 87%)

71%

People Engagement Index
(2025: 71%)

[1] Source: PwC Global. Network headcount as at 30 June 2026.

Ethics, independence, and objectivity

Ethics

At PwC Indonesia, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), as well as its Indonesian equivalent, the *Kode Etik Profesi Akuntan Publik*, issued by the *Institut Akuntan Publik Indonesia* (IAPI). These fundamental principles are:

- Integrity – to be straightforward and honest in all professional and business relationships
- Objectivity – not to allow bias, conflict of interest, or undue influence of others to override professional or business judgements
- Professional competence and Due Care – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation, and techniques and act diligently and in accordance with applicable technical and professional standards
- Confidentiality – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties
- Professional Behaviour – to comply with relevant laws and regulations and avoid any action that discredits the profession,

The PwC network standards, which apply to all network firms, cover areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair competition, anti-corruption, information protection, firm and partner taxes, sanctions laws, internal audit, and insider trading. We apply both the letter and the spirit of these requirements. All partners and staff complete annual mandatory training and submit annual compliance confirmations, which support their understanding of, and confirm their compliance with, the ethical requirements under which we operate. PwC Indonesia leadership monitors compliance with these obligations.

In addition to the PwC purpose and values, PwC Indonesia has adopted the PwC Code of Conduct, network standards, and related policies, which set out the behaviours expected of our partners and other professionals to build public trust. Because our people face a wide variety of situations, our standards provide guidance across a broad range of circumstances, with a common goal: to do the right thing.

On joining the firm or admission to the partnership, all partners and staff receive an overview of the PwC Code of Conduct and the behaviours expected of them throughout their careers at the firm. Under the Code of Conduct, they are responsible for raising concerns fairly, honestly, and professionally when facing a difficult situation or observing conduct inconsistent with it. All partners and staff must also complete new-hire training on the ethics and compliance network standards, including the Code of Conduct.

PwC has implemented a network-wide confidential ethics helpline for reporting questions or concerns about behaviours inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for its confidential matters and investigations. The ethics helpline is also available to third parties, including clients, and allows our partners, staff, and third parties to raise a question or concern safely, without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available online for all internal and external stakeholders at pwc.com/ethics.

PwC Indonesia applies an accountability framework to remediate behaviours that are inconsistent with the Code of Conduct.

The Organisation for Economic Co-operation and Development (OECD) Guidelines for Multinational Enterprises (the OECD Guidelines) set out non-binding principles and standards for responsible business conduct by organisations operating globally. Although the PwC network consists of separate legal entities that do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by, and meet the goals and objectives of, the OECD Guidelines.

Objectivity and independence

As auditors of financial statements and providers of other professional services, PwC firms and their partners and staff must comply with the fundamental principles of objectivity, integrity, and professional behaviour. For assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, based on the IESBA Code, including the International Independence Standards, sets minimum standards that PwC firms have agreed to comply with, including processes to maintain independence from clients where necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach and impact of these requirements on PwC firms in the network, the policy identifies key areas where an SEC requirement is more restrictive. Provisions specifically identified as applicable to SEC-restricted entities must be followed in addition to, or instead of, the associated paragraph of the policy. PwC Indonesia has a designated partner of appropriate seniority and standing (the 'Partner Responsible for Independence' or 'PRI'), who is responsible for implementing the PwC Global Independence Policy, including managing the related independence processes and supporting the business. The PRI, supported by a team of independence specialists, reports directly to the Chief Risk Officer.

A separate Network Risk Management Policy governs the independence requirements for rotation of key audit partners.

These policies help PwC firms comply with the professional and regulatory independence standards for assurance services, and are revised when laws, regulations (including the IESBA Code) or operational matters change. PwC Indonesia supplements them where local or other rules are more restrictive, including those of the SEC, the US Public Company Accounting Oversight Board (PCAOB), and the EU Audit Regulation.



Public disclosure

Our policy is consistent with the Code of Ethics for Public Accountants established by the Indonesian Institute of Certified Public Accountants which defines a Public Interest Entity (PIE) and in performing audits of PIEs, we also apply the ethical requirements including the independence standards for PIEs in the IESBA code.

Independence policies and practices

The PwC Global Independence Policy covers areas including:

- Personal and firm independence, including policies and guidance on financial interests and other financial arrangements (e.g. bank accounts and loans) held by partners, staff and the firm
- Non-audit services and fee arrangements, supported by Statements of Permitted Services (SOPS), which provide practical guidance on applying the policy to non-audit services for audit clients and related entities
- Business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing goods and services in the normal course of business
- Acceptance of new audit and assurance clients, and subsequent acceptance of any non-assurance services for those clients

Independence-related systems and tools

As a PwC network member, PwC Indonesia uses network systems and tools that help firms and their people comply with independence policies and procedures. These include:

1. **Central Entity Service (CES):** holds information on corporate entities and their securities, including all PwC audit clients and related entities, public interest audit clients, and SEC-restricted entities. Firms use CES to check a client's independence restrictions before taking on a new non-audit service or business relationship. It also feeds Independence Checkpoint and Authorisation for Services

2. **Independence Checkpoint:** all partners and managerial staff must pre-clear financial interests before acquiring them, and the system records later purchases and disposals. When a firm wins a new audit client or a security's restriction status changes, it automatically notifies holders who must sell

3. **Authorisation for Services (AFS):** a global system through which the non-audit engagement partner and the audit engagement leader discuss a proposed non-audit service. It documents potential independence threats and safeguards and records the audit partner's conclusion on whether the service is permissible

4. **Joint Business Relationships (JBR):** a global system that helps independence specialists assess whether proposed joint business relationships are permissible, and monitor whether approved ones remain so

5. **My Compliance Dashboard (MCD):** a global system for annual compliance confirmations, engagement independence confirmations, and related reporting

6. **Global Breaches Reporting System:** used to report independence breaches with cross-border implications, such as a breach in one territory that affects an audit relationship in another. Every reported breach is evaluated and addressed under the IESBA Code or relevant regulations

7. **Independence Assessment (IA):** a global platform that identifies and assesses a firm's services and relationships with a prospective audit client or its related entities

Independence training and confirmations

All partners and practice staff receive ongoing independence training, typically at key milestones such as a change of role, changes in policy or regulation and, where relevant, before providing certain services. Training is delivered online on our independence policy and related topics, supplemented by face-to-face sessions from our independence specialists as needed.

Every year, all partners and practice staff confirm their compliance with our independence policy, including their personal independence. Partners also confirm that the non-audit services and business relationships they are responsible for comply with policy, and that the required acceptance processes were followed. For public interest entities, periodic, and ad hoc engagement-level confirmations supplement these annual confirmations.

Independence monitoring and disciplinary policy

PwC Indonesia monitors how effectively its SoQM ensures compliance with independence requirements. In addition to the annual confirmations, this monitoring includes:

- Compliance testing of independence controls and processes
- Personal independence compliance testing of a random sample of individuals, including, at a minimum, partners and practice managers
- An annual assessment of our adherence to the PwC network's independence standard

Results are reported to firm management regularly, with an annual summary.

Our Independence Accountability Framework and supporting disciplinary policies promote compliance with independence policies and processes and require every breach to be reported and addressed.

This includes discussing with the client's audit committee the nature of the breach, its impact on the independence of the firm and engagement team, and any actions or safeguards needed to maintain objectivity. Most breaches are minor and arise from oversight, but all are taken seriously and investigated as appropriate. We also follow supplementary local reporting requirements. Investigations help us identify where systems, processes, guidance, or training need to improve.



Responsible client acceptance and continuance

PwC Indonesia's principles for deciding whether to accept a new client or continue serving an existing one are fundamental to delivering quality and to our purpose of building trust in society. Our policies and procedures for accepting client relation ships and audit engagements consider whether we are competent to perform the engagement and have the necessary capabilities, including time and resources; can comply with relevant ethical requirements, including independence; and have appropriately considered the client's integrity. We reassess these considerations when deciding whether to continue a client engagement, an d we have policies and procedures for withdrawing from an engagement or client relationship when necessary. Our policies and processes emphasise risk and quality so that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and engagement acceptance and continuance

PwC Indonesia assesses prospective and existing clients using Acceptance, the PwC network's proprietary decision support system for audit client acceptance and retention. Acceptance helps the engagement team, business management, and risk management specialists determine whether the risks related to an existing or potential client are manageable, and whether PwC should be associated with the client and its management. Specifically, this system enables:



Engagement teams:

- To document their consideration of matters that professional standards require for acceptance and continuance
- To identify and document issues or risk factors and their resolution, for example through consultation, adjusting the resource plan or audit approach, applying other safeguards to mitigate identified risks, or declining the engagement
- To evaluate the risks of accepting or continuing with a client and engagement



PwC firms[1] (including PwC firm leadership and risk management):

- To evaluate the risks of accepting or continuing with clients and engagements
- To provide an overview of these risks across the client portfolio
- To understand the methodology, basis, and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance

[1] 'PwC firms' term refers to the wider network of PwC member firms.

4 Our people





Our people

People strategy

Our strategy follows a network-first approach, supporting the firm's ambition to be the leading professional services provider and stay ahead of market trends. We aim to be the world's leading developer of talent and to equip our people with greater agility and confidence in a rapidly changing world. Specific focus areas include building a resilient foundation for change by supporting our people's well-being and enabling effective delivery; developing inclusive leaders for a shifting world; and enabling our workforce for today's realities and tomorrow's possibilities. These initiatives were aligned with firmwide priorities and underpinned by technology, data-driven insights, and a culture of continuous improvement.

The approach is anchored in three pillars:

- Sustainable workplace transformation
- Inclusive leadership development
- Wellness and skills for the future

The PwC Professional

The PwC Professional is the set of behaviours we expect all our people, at all levels, to demonstrate with each other, our clients, and other stakeholders. Focusing on these behaviours helps our teams build trust and deliver distinctive outcomes, in line with our purpose.

The PwC Professional framework is embedded in all people processes, including recruitment, feedback, coaching, and performance management.

Locally, the PwC Professional shapes tailored learning and development programmes, quarterly feedback, and coaching requirements for all staff. It is integrated into existing systems and forms the basis for promotions, succession planning, and leadership development.

Remuneration is managed through a Total Rewards framework, which is moving to impact-based rewards based on the PwC Professional and simplified performance groups. Scorecards include quality-related Key Performance Indicators (KPIs) alongside the PwC Professional, and performance groups inform salary and bonus decisions. We monitor non-compliance and quality issues and apply sanctions where required.

Attracting, developing, and retaining our people

1

Inclusion and diversity

We foster a culture of belonging and equity where a diverse workforce can thrive, guided by the PwC network's Inclusion First strategy of action, accountability, and advocacy.

We help our people work and lead inclusively, with a focus on gender equity, disability inclusion, and social inclusion, supported by inclusive systems and behaviours.

2

Recruitment

We recruit people committed to quality and professional excellence. Hiring decisions are based on structured behavioural interviews aligned to the PwC Professional framework, academic results, and background checks. In FY26, our Assurance practice recruited:

516 professionals, of whom 445 joined through our graduate recruitment programme and 71 were experienced hires.

3

Team selection, experience, and supervision

We staff audits according to expertise, capability, and experience. Engagement leaders set the level of direction, supervision, and review for junior staff.

4

Feedback and continuous development

Feedback Exchange, built on the PwC Professional framework, is now part of everyday work, enabling timely feedback in all directions and at every level.

A personal dashboard summarises the feedback each person receives, turning it into actionable insights that support development and team effectiveness.

5

Career progression

Career progression is based on an annual performance review anchored in the PwC Professional framework, which sets out the behaviours, skills, and knowledge we expect. Assessments consider both what people achieved against their objectives and how they achieved it, in line with our values.

Promotions effective 1 July 2026:

307	53	20	6	2
new senior associates	new managers	new senior managers	new directors	new partners

6

Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent. In FY26, our overall retention rate was 73%.

7

Global People Survey

The Global People Survey (GPS), mandatory across the PwC network, is our main way of hearing from our people and informs leadership decisions.

In FY26, our People Engagement Index was 71% and our Quality Behaviour Index 87%, both unchanged from FY25. Results show pride in PwC and alignment with our values; areas to strengthen are belonging, advocacy for the firm, and an open, inclusive speak-up culture.

Learning and education

Professional development

Throughout their careers, PwC Indonesia's people receive career development opportunities, formal training, on-demand learning, and real-time, on-the-job coaching. Our flexible training portfolio supports personalised learning through webcasts, podcasts, articles, videos, and eLearns.

Professional credentials support our firm's commitment to quality through consistent examination and certification standards. We aim to give our staff a more individualised path to promotion and help them prioritise and manage their time more effectively when preparing for professional exams. Enabling our people to meet their professional and personal commitments is critical to our people experience and retention strategy.

Continuing education

To promote consistency across the network, PwC develops formal curricula covering the PwC audit approach and tools, areas of audit risk, and areas of focus for quality improvement.

We deliver this training through remote, classroom, virtual classroom, and on-the-job learning. The curricula focus on quality, while helping practitioners strengthen their technical and professional skills, including exercising professional judgement and applying a sceptical mindset.

The curricula allow us to schedule training to suit local needs. Our Learning & Education leader, drawing on input from the practice and other relevant functions, determines what additional training is needed locally.

Ethical behaviour in the learning environment

Our SoQM sets the behaviours we expect in training and education, with controls and monitoring to protect its integrity.

Audit Quality Measure

We evaluate our performance against several metrics presented on page 7. The following learning and education data are as at 31 December 2025.

Training hours

180,000+

total training hours completed

Average hours per person



Mandatory training

100%

completion rate of partners and staff for mandatory training at 31 December 2025.



5 Our audit approach



Our audit approach



The quality and effectiveness of our audits are critical to all our stakeholders. We therefore invest in our people's skills, our audit methodology and technology, and in making sufficient time and resources available. We closely monitor internal indicators and processes to confirm that our risk and quality controls remain effective and to gain timely insight into audit quality and areas for improvement. We also consider stakeholder feedback and regulatory inspection findings, as described in the Monitoring section of this report.

People

Data and technology can reveal insights, but it takes inquisitive people with broad business knowledge to understand what those insights mean. We recruit professionals with these capabilities.

Technology

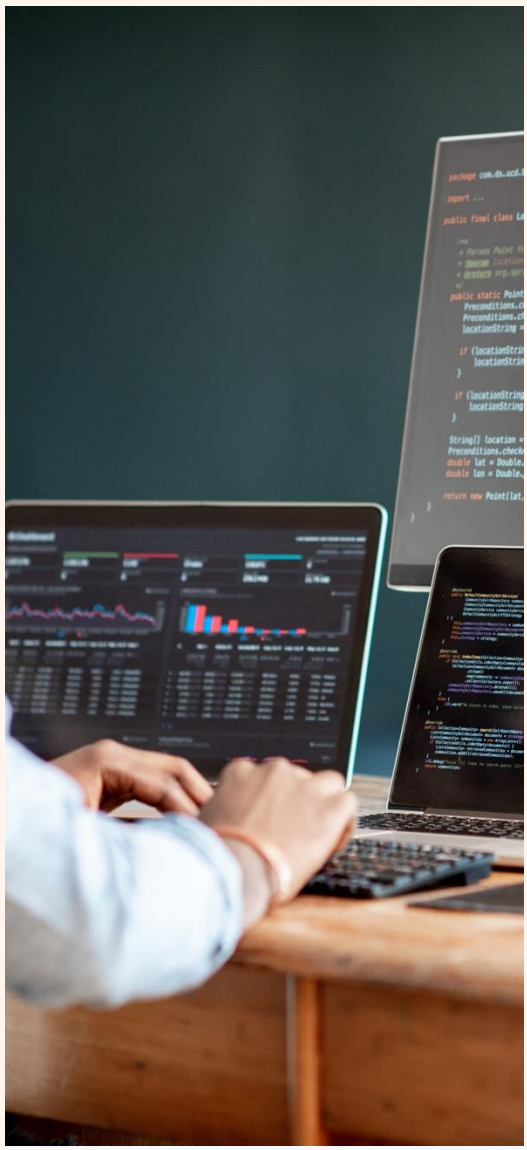
Our clients expect the organisations they entrust with their information to lead in technology, not merely keep up. The PwC network has committed to providing leading audit technology and has invested in tools that support our audit approach, improving the quality and insight we deliver to clients.

Our tools

As a member of the PwC network, PwC Indonesia uses PwC Audit, a common audit methodology and process.

This methodology is based on the International Standards on Auditing (ISAs), supplemented by PwC policy and guidance where appropriate. Our global audit methodology provides the framework for PwC firms to comply consistently, in all respects, with applicable professional standards, regulations, and legal requirements.

PwC's audit policies and procedures are designed to facilitate audits that comply with all ISA requirements relevant to each audit engagement. The Indonesian Standards on Auditing (SAs) are adopted from ISAs.



Tools and technologies to support our audit

PwC Indonesia's audit teams use PwC's global audit platforms, specialist tools and approved AI to deliver consistent, high-quality audits.

Core audit platforms

Aura

The PwC network's global audit platform. It links each risk to the procedures and controls that address it, guides teams through our methodology, and shows audit progress in real-time dashboards.

Maestro

PwC's next-generation audit platform, built with AI at its core. One integrated system manages the audit end to end, helping teams standardise, simplify and automate work, and adopt new technology as it emerges.

Supporting tools



Halo

Analyses client data, such as journal entries, to pinpoint unusual items for testing, and manages data extraction and reuse in one place.



Client Base

Our central engagement record, giving one source of truth for client and engagement data across our audit applications.



Connect

A secure portal for exchanging documents with clients. It tracks outstanding requests and issues until they are resolved.



Connect Audit Manager

Coordinates work between group and component audit teams on one digital platform, improving oversight of multi-location audits.



Count

Supports inventory count observations. Counters record results on a mobile device and export them directly to Aura.



Smart Audit Platform (SMAP)

Uses AI and machine learning to assist with selected aspects of the financial reporting review, including checking financial statement disclosures against applicable requirements.



PwC Confirmations

A secure global platform for sending, tracking, and receiving audit confirmations from banks, customers and other third parties.



Consult

Records formal consultations with our specialist teams, such as Quality, Risk Management, and Independence, and links them to the Aura file.

Generative AI in our audits

Audit teams may use only firm-approved AI tools that operate in a secure PwC environment, including the AI built into Maestro. Four safeguards apply: auditors stay responsible for the audit evidence, check all AI output themselves, use only approved prompts for approved tasks, and record the sources they relied on.

ChatAssurance

Answers accounting, auditing, and reporting questions in Microsoft Teams and points teams to relevant resources.

ChatPwC

PwC's secure AI assistant, used by partners and staff for everyday work and approved audit tasks.

M365 Copilot and Agents

Gathers permitted information from Outlook, Teams, and Office files for approved tasks.

Technology reliability and information security

Reliability of audit technologies

PwC Indonesia has controls designed to support the reliability of its audit technologies, with clear responsibilities for those who own and use them. Teams are guided on what to document, so reviewers can direct, supervise, and review the work.

Confidentiality and information security

Confidentiality and information security are core professional responsibilities. Misuse or loss of confidential client information or personal data may expose the firm to legal proceedings and damage our reputation.

We manage security, privacy, and confidentiality risks through a holistic, collaborative approach, supported by investment in controls and monitoring under a three lines of defence model. This model has strengthened our information security organisation, aligned us with industry good practice and improved our internal control framework.

Data privacy

The firm takes a robust, consistent approach to managing all personal data, and everyone in our organisation has a role in safeguarding it including compliance with relevant law and regulations such as Data Protection Law (UU No. 27/2022).

Information security

Information security is a high priority for the PwC network. Our firm is accountable to our people, clients, suppliers, and other stakeholders for protecting the information entrusted to us. Failure to protect it could harm the individuals whose information we hold, expose the firm to regulatory sanctions or financial loss, and damage the PwC brand. Our firm therefore complies with the PwC network's Information Security Policy, which sets minimum security requirements for all PwC firms. We continue to implement a Zero Trust security framework to protect our data and strengthen our resilience against cyber attacks.

AI is reshaping the threat landscape. Our growing reliance on digital platforms, cloud environments, and AI-enabled services increases our exposure to cyber threats, including risks from where and how third-party providers host data, over which we have less direct control. We mitigate these risks through:

- Tech committee oversight of information security strategy, framework, and policies
- An ISO/IEC 27001:2022 certified Information Security Management System covering the provision of data center facilities operations of PwC Indonesia.
- Security awareness programmes, including mandatory training for all and regular phishing simulations
- Data leakage prevention controls and enhanced controls for high-risk groups, including financial services clients and leavers
- Physical, technical and human resource controls
- Threat intelligence
- Continual logging, monitoring, and incident response capability
- Regular monitoring and independent reviews, including client data assessments and internal and external monitoring of privacy compliance
- Continual investment in established cybersecurity controls



Network information security

Network Information Security is the PwC network function that safeguards the information of our clients, partners, and other stakeholders. It combines technical capabilities with network-wide initiatives to protect sensitive information, support compliance, and strengthen cyber resilience.

Support for engagement performance



Evolving delivery model

We continue to evolve how we deliver audits to improve quality and the client experience, and to create capacity to invest in the future. Our delivery centres standardise, automate, and centralise suitable parts of the audit.



Direction, coaching, and supervision

Engagement partners and senior team members are accountable for coaching and supervising junior team members throughout the audit. Teams use Aura to track progress and confirm that all work has been completed and reviewed by the right people, including the engagement partner.



Consultation culture

Consultation is central to audit quality. Beyond mandatory consultations, we encourage teams to seek advice from specialists in areas such as tax, valuation, actuarial, risk and independence, and from our Risk and Quality (R&Q) team, to resolve difficult or contentious matters.



Corporate Reporting Services (CRS) and Quality Team

These teams of accounting, auditing, financial reporting, audit quality, and methodology specialists track developments in their fields, keep our policies and guidance current, and provide updates and training to our people.



Quality Review Partners

As required by professional standards and our SoQM, a Quality Review Partner (QRP) is assigned to higher-risk engagements, such as listed entities. QRPs have the expertise and authority to challenge the team's significant judgements objectively, including on independence, risks of material misstatement, and complex accounting and disclosure matters. All QRPs complete mandatory training.



Differences of opinion

When the engagement partner disagrees with the QRP, another Assurance partner or a central function such as R&Q, our protocols resolve the matter, including referral to technical panels of partners who are independent of the engagement.



Audit Quality Measure

We monitor the support available to our engagement teams through the key leverage ratios below, consistent with the measures on page 6.

Leverage ratio

1 to 3.3

Partner to manager
(2025: 1 to 2.9)

1 to 14.6

Manager to staff
(2025: 1 to 15.2)

Ratio of audit-related hours between engagement partners, senior, and junior engagement team members.

Technical support

1 to 6

Ratio of partners in technical/audit quality support roles to total number of assurance partners.

6 Monitoring



Monitoring

Our approach to monitoring

PwC Indonesia's leadership is responsible for designing and operating an effective SoQM, based on the network's QMSE framework, to manage the risks to audit quality. We monitor it in two ways. Ongoing monitoring, including Real-Time Assurance, checks that our policies and procedures are well designed and working effectively, so that our engagements comply with laws, regulations, and professional standards. Periodic monitoring includes Engagement Compliance Reviews (ECRs) and objective reviews of our SoQM. Together, the results drive continuous improvement.

Engagement Compliance Reviews

ECRs are risk-focused reviews of completed engagements under the network-wide inspection programme. Over time, they cover every individual authorised to sign audit, non-audit assurance or related services reports, and assess compliance with PwC Audit guidance, professional standards, and firm policies. Experienced Assurance partners lead the reviews with trained, objective teams, drawing on other PwC firms where needed. The network checks that findings are classified consistently.

Network reviews of our SoQM

The PwC network also periodically reviews elements of each firm's SoQM, and considers leadership's own assessment of whether the SoQM is effective and the overall quality objective has been achieved.

Inspection results

In the FY26 network inspection programme, ten PwC Indonesia audit files were inspected: all were rated compliant. A further 5 non-audit assurance files were inspected, and all five were rated compliant.

None required a restatement of financial statements or a reissued audit report.

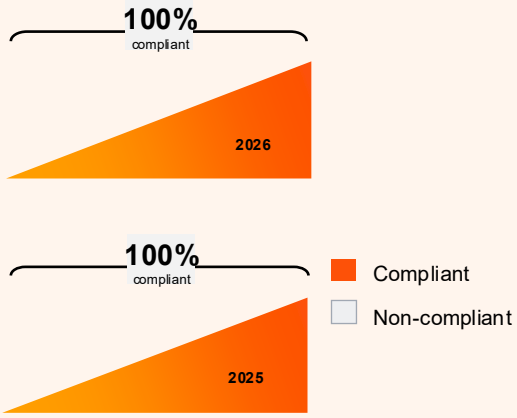
Reporting and accountability

All inspection results are reported to firm leadership, who analyse them alongside other quality findings and take timely remedial action. Where adverse quality matters arise, the responsible partner or other leaders may receive additional mentoring or training, or face sanctions under our Recognition and Accountability Framework. Our Assurance partners also use network inspection results to scope their work and decide how far to rely on other PwC firms in group audits.

Audit Quality Measure

We evaluate our performance against several metrics presented on page 6.

Audit inspection result



Non-audit inspection result

100%

compliant for all five non-audit assurance files inspected by the network inspection programme.

(2025: 100%)

External inspection

0

In 2026, there were no instances in which findings identified during external audit inspections resulted in a restatement.

7 PwC network





PwC network

PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas, such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach amongst individual PwC firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network are made available to them. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms agree to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers"; however, there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other PwC firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.



The governance bodies of PwCIL are:

Global Board, which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board comprises elected partners from PwC firms around the world and one or more external independent directors. Please refer to the PwC Global website for a list of the current members of the Global Board.

Network Leadership Team, responsible for setting the overall strategy for the PwC network and the standards PwC firms agree to adhere to.

Strategy Council, comprising the leaders of the largest PwC firms and regions of the network, which agrees the network's strategic direction and facilitates alignment in executing strategy.

Global Leadership Team, appointed by and reporting to the Network Leadership Team and the Chairman of the PwC network. Its members lead teams drawn from PwC firms to coordinate activities across all areas of our business.



PwC Indonesia

PwC Indonesia comprises KAP Rintis, Jumadi, Rianto & Rekan, PwC Tax Indonesia, PwC Legal Indonesia, PT PwC Advis Indonesia and PT PricewaterhouseCoopers Consulting Indonesia, each of which is a separate legal entity and all of which together constitute the Indonesian member firms of the PwC global network, collectively referred to as PwC Indonesia.

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