

06

CORPORATE SOCIAL RESPONSIBILITY (CSR)

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BUSINESS INTEGRITY AND HUMAN RIGHT APPRECIATION

COMMITMENT, POLICY, AND GOVERNANCE OF SOCIAL RESPONSIBILITY

Telkom is committed to conducting ethical business, so that a fair and healthy relationship is established with all company stakeholders. Commitment and ethical business governance in Telkom, contained in the Resolution of Board of Director Number PD.201.01/r,0/PS150/COP-B0400000/2014 dated May 6, 2014 regarding Business Ethics Within The TelkomGroup. Business ethics is a standard of business ethics (company ethics) and employee work ethics (employee ethics) in dealing with stakeholders who have a relationship with the company.

In conducting business, Telkom conducts internal due diligence on the social, economic and environmental impacts of its operations using the limited discussion method. In line with the identification of important social, economic and environmental issues, Telkom has also identified important stakeholders who are affected or affected by the impact of the company's activities, namely customers, employees, shareholders and investors, the Government, business partners, creditors, the community, and mass media. The following is Telkom's commitment to its stakeholders:

1. Commitment to Customers	2. Commitment to Work Partners
<ul style="list-style-type: none"> a. Provide information clearly and easily understood about the rights and obligations of the customer before the contract/subscription contract is signed by both parties. b. Meet the rights of customers in providing services following what has been promised in the Service Level Guarantee (SLG). c. Providing and managing customer contact media making it easier for customers to submit complaints, feedback and find information about products/services. 	<ul style="list-style-type: none"> a. Provide increased skills, competencies, and training on products/services, service procedures and service ethics to agents, re-sellers, installers, and setters to provide product knowledge. Service to improve service to customers. b. The process of procurement of goods and services is carried out fairly, transparently and can be accounted for by involving potential suppliers/partners who have a reputation of good classification, by applicable laws and regulations and GCG principles. c. Obligated to conduct selection and evaluation of work partners objectively.
3. Commitment to Competitors	4. Commitment to Social Community
<ul style="list-style-type: none"> a. Efforts to obtain information about competitors' businesses are conducted honestly and obtained from legitimate sources. b. Prohibited from obtaining competitor information in illegal and unethical ways, including but not limited to espionage, wiretapping and/or theft. 	<ul style="list-style-type: none"> a. Build and foster harmonious and harmonious relationships and provide benefits to the communities surrounding the company's place of business. b. Encourage the emergence of a sense of community ownership of the Company with the aim that the community participate in protecting the Company. c. Reducing to a minimum the impact on the environment including but not limited to extracting cable lines and using frequencies.
5. Commitment to Employees	
<ul style="list-style-type: none"> a. Avoid the practice of employment discrimination through: <ul style="list-style-type: none"> • Respect employee rights and rights and obligations following the agreement in the cooperation agreement. • Provide equal opportunities regardless of age, group, ethnicity, nation and religion, nature and gender. • Respect religious freedom. • Provide equal and fair treatment in terms of employment, provision of benefits and other compensation. 	<ul style="list-style-type: none"> b. Maintaining the health, security, safety, and comfort of the work environment through: <ul style="list-style-type: none"> • Provides health insurance for employees and families. • Providing appropriate compensation and pension guarantees according to the company's capabilities. • Facilitate employee aspirations through an employee union and make it a partner in building a business. • Provides a comfortable work environment.

IMPLEMENTING FAIR OPERATIONS

Commitment to Anti-Unfair Business Competition

As stipulated in Law No.5 of 1999 regarding the Prohibition of Monopolistic Practices and Unfair Business Competition (Anti-Monopoly Law), the Business Competition Supervisory Committee (KPPU) was formed with the function as an antitrust watchdog in Indonesia authorized to implement the provisions of the Anti-Monopoly Law. The Anti-Monopoly Law is implemented in conjunction with other regulations, including Government Regulation No.57/2010 dated July 20, 2010, regarding Mergers and Acquisitions that Can Lead to Monopolistic Practices or Unfair Business Practices.

Telkom, as one of the telecommunications industry players with the largest market share, uphold the provisions of the relevant laws and regulations and respect the role of KPPU by always carrying out business practices that promote fair competition. We prioritize service excellence, product completeness and supporting infrastructure as well as operational efficiency in gaining customer trust.

Telkom was allegedly violating business competition law in 2017 for selling bundling product services marketed under the retail brand "IndiHome". This IndiHome service allows customers to choose one or more Telkom services, which consist of broadband internet, cable telephone service, and interactive TV at competitive prices. On September 27, 2017, the Business Competition Supervisory Commission (KPPU) has decided that the sale of IndiHome services in bundling does not violate business competition law.

Furthermore, in 2018, Telkom received a warning letter from KPPU related to the accusation of violating the Business Competition Law. This violation letter has gone through a review process for further discussion with KPPU due to unclear investigation reasons. Based on communication with KPPU, the investigation into this unclear suspicion has been stopped.

In 2019, Telkom received a call from KPPU regarding alleged violations of the Business Competition Law related to Telkom and Telkomsel policies that blocked Netflix access. Telkom has provided information on the investigation carried out by KPPU and said that Telkom needs to block it because Netflix has not yet fully complied with regulations in Indonesia related to content and rules related to the implementation of censorship. At present we have not received information from KPPU and are still waiting for an official statement from KPPU regarding the sustainability of the investigation process.

In November 2019, Telkom also received a call from KPPU regarding allegations of violation of the Business Competition Law related to Telkom's Internet Protocol Transit Business in Papua. Telkom was called in the clarification stage and has not yet entered the investigation stage. We have provided clarification to KPPU in December 2019 and there has been no further official confirmation regarding this case.

Besides, Telkom also has an internal policy governing business ethics with competitors as stipulated in the Resolution of Board of Director Number PD.201.01/r.,00/PS150/COP-BO400000/2014 dated May 6, 2014, regarding Business Ethics Within The TelkomGroup. To obtain information about a competitor's business, the company is obliged to conduct it honestly and obtained from a legitimate source. The company also prohibits information obtained through illegal and unethical methods including espionage, wiretapping and/or theft.

Based on the foregoing, in the past three years, there have been no fines or sanctions imposed on Telkom regarding violations of business competition provisions.

Theme	Highlight Telkom	Report of The Board of Commissioners and Directors	About Telkom	Management Discussion and Analysis
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Copyright Protection

To protect and reward the creativity of research and product development and services, Telkom has registered several intellectual property rights consisting of trademarks, copyrights and patents at the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia. We register various intellectual property rights, include:

- Trademarks and services for the Company's products and services, corporate logo and names.
- Copyrights to the Company's name and logos, products and services logos, computer programs, research and songs.
- Patents on technological inventions in the form of telecommunication products, systems and methods.

In the case of copyright owned by the company with another party (co-owner), the commercialization must be with the approval of the other owner (co-owner) and/or the knowledge of the related parties. Policies related to copyright protection, regulated through Resolution of Board of Director Number PD.605.00/r.oo/HK000/COO-D0030000/2011 dated July 11, 2011 regarding the Management of Intellectual Property and Intellectual Property Rights.

Transparency in Conducting Auction Activities

Following internal policies contained in the Decision of the Resolution of Director of Finance Number PR.301.08/r.02/HK240/COP-A00110000/2019 dated October 2, 2019, regarding Guidelines for Procurement Implementation, we continue to be consistent to this day to manage the procurement and partnership process by using the e-auction system through applications that minimize physical contact between suppliers/partners and the committee because the entire tender and negotiation process has been computer-based so that it is fair and transparent. We do supplier selection through three main stages namely Supplier Registration where the Supplier register online through the Supply Management and Logistics Enhancement ("SMILE") application, then proceed with Supplier Selection where we conduct supplier assessments following business classifications and several other criteria to produce ranking and short-list and proceed with the determination of Eligible Bidder, suppliers who are entitled or will be involved to participate in the procurement process.

In the selection process of suppliers and contractors we also assess the commitment of each prospective supplier referred to the fulfillment of regulations in the field of labor/human rights, and health and work safety. Every potential supplier/contractor is required to comply with these criteria. Some of the benefits that have been obtained include the speed of the auction process, the determination of prospective bidders electronically according to specified requirements, electing the winner electronically, and other benefits related to improved process quality, the fairness of prices, transparency and preventing interventions.

We also evaluate supplier performance related to providing support to Telkom in achieving its vision and mission. Through the performance appraisal process, Telkom is expected to establish cooperative relations with suppliers that are better, more sustainable and bring optimal benefits to the Company.

ANTI CORRUPTION AND FRAUD POLICIES AND PROCEDURES

Anti-corruption policies owned by Telkom include:

1. Resolution of the Board of Directors No. 43 of 2008 regarding Anti-Fraud Policy within Telkom on December 2, 2008.
2. Resolution of the Board of Directors Number.36/HK290/COP-D0053000/2009 dated November 20, 2009, regarding Integrity Pact.
3. Resolution of Board of Directors Number. PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup Environment.
4. Resolution of Director of Human Capital Management Number. PR.209.04/r.00/PS000/COP-A4000000/2016 dated July 26, 2016, regarding Gratification Control.

Telkom demonstrated its commitment to anti-corruption and fraud through three approaches, namely:

1. Prevention, carried out through the preparation of accountable work procedures, such as in the process of procurement and financial transactions, a code of ethics, corporate culture, and integrity.
2. Supervision, implemented through the implementation of a control and supervision system that is carried out by the Internal Audit Unit.
3. Enforcement, carried out with the support of the Whistleblowing system and evidence from Internal Audit.

In supporting the implementation of anti-corruption policies, TelkomGroup has various mechanisms related to anti-corruption. One of them is that it requires employees to sign the Integrity Pact. Employees must avoid conflicts of interest and are prohibited from receiving gratuities by gratification control procedures. Telkom also provides the portal my.integrity.telkom.co.id and improves employee understanding of anti-corruption and anti-fraud through training.

Then, Telkom also obliges echelon I and II officer to report their assets according to applicable procedures. This provision is a form of compliance with Government Regulations that regulate the obligation for state administrators to report their assets, through:

1. Law Number 28 of 1999 regarding State Official who is Clean and Free of Corruption, Collusion, and Nepotism
2. Law Number 30 of 2002 regarding the Corruption Eradication Commission
3. Corruption Eradication Commission Regulation Number: 07 of 2016 regarding Procedures for Registration, Announcement, and Examination of State Officials Assets
4. Resolution of Director of Human Capital Management Number PR.209.03/r.01/PS000/COP-A4000000/2017 dated October 27, 2017, regarding Reporting Obligations for Assets State Assets in the TelkomGroup Environment

Our commitment to Anti-Corruption and Fraud, also reaches out to our vendors/partners following Company Policy in the form of Resolution of Director of Finance No. PR 301.08/r.02/HK240/COP-A00110000/2019 dated October 2, 2019, regarding Guidelines for Procurement Implementation. In the process of procuring goods and services, we ask each vendor/partner to sign an integrity pact, which among others states that they do not practice KKN, price collusion, and conflict of interest.

Furthermore, Telkom's commitment to preventing corruption is also reflected in Telkom's initiative to become a member of the National Integrity Budding and Rembug Integrity Collaboration Association (RIN) initiated by the Integrity Shoots and Managers of the Compliance and Gratification Control Unit of the Ministry of Organizations and Companies (KLOP) since 2015. Telkom's participation in this organization was to become an active member in various collaborative events, as resource persons, panel discussions, and benchmarking objects for KLOP and the National Private Sector in the field of Business Ethics and Integrity development.

Telkom also reviews and evaluates various mechanisms, initiatives and internal policies related to anti-corruption that will be used for future improvement. In 2019, Telkom placed one of its employees to take part in the Integrity Building Expert Certification (KPSP BNSP LSP API) and at the same time obtain the Integrity Builder Expert Certification Certificate from the LSP KPK in the Integrity Building Expert Certification event organized by the LSP KPK - BNSP. Telkom's efforts to prevent corruption and fraud received awards from stakeholders. In 2019, Telkom was awarded as the Best State-Owned Big Cap Enterprise in the 11st IICD CG Conference and Award held by IICD.

APPRECIATING HUMAN RIGHTS

One of Telkom and subsidiaries 'appreciation towards human rights (HAM) is manifested in the form of support for basic rights at work as regulated in Resolution of Board of Directors Number PD.201.01/r.,00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding business ethics within the TelkomGroup. Under the policy, the company is committed to:

1. Avoiding the practice of employee discrimination, by giving equal opportunities regardless of age, group, ethnicity, nationality, religion, and gender.
2. Maintain health, safety, and comfort of the work environment.
3. Ensure the human rights of employees as the color of the state in gathering, associating, organizing and channeling political aspirations within certain limits.

These efforts have an impact on good relations between TelkomGroup and employees, so that there are no demands or demonstrations throughout 2019. Neither Telkom nor its subsidiary TelkomGroup has ever experienced material labor demonstration. In line with Law No. 13 of 2003 regarding Labor and Law No. 21 of 2000 regarding Trade Unions/ Labor Unions, Telkom employees established SEKAR (Employees Union). Based on regulations, SEKAR has the right to represent employees in collective negotiations with company management. On January 19, 2018, the CWA's seventh collective labor agreement ("Seventh CWA") was agreed by Telkom and SEKAR, which is valid for two years.

In addition to SEKAR, other existing employee associations, namely the Telkomsel Employees Union, PT Infomedia Nusantara, Metra Digital Media, and Graha Sarana Duta, were also established trade unions. Telkomsel Workers Union (SEPAKAT), Infomedia Nusantara Workers Union (SPIN), Metra Digital Media Workers Union (Metra Digital Workers Union or SPMD), and Graha Sarana Duta Workers Union or SEJAGAD).



GOODS AND SERVICES RESPONSIBILITY

Regarding business ethics with customers, we are obliged to:

1. Provide clear and easy to understand information about the rights and obligations of the customer before the contract/subscription contract is signed by both parties.
2. Fulfill the rights of customers in providing services by what was promised in the Service Level Guarantee (SLG).
3. Providing and managing customer contact media (complaint counters, complaint phones, emails, and other media) making it easier for customers to submit complaints, feedback and find information about products/ services.

This obligation has been stated in Resolution of Board of Directors Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup Environment

PRODUCT INFORMATION

Telkom and its subsidiaries understand the importance of fulfilling the rights of consumers to obtain accurate and recent information regarding various products and services. Thus, consumers can make the right decision when buying TelkomGroup products and services according to their needs and wants. In this regard, the provision of product information is carried out in various ways such as through product information on mobile starter pack packaging, websites, promotional activities, and intensive marketing communication.

CONSUMER HEALTH AND SAFETY

The Telkom Integrated Quality Assurance (TIQA) program aims to guarantee the products and services offered do not harm consumers, as well as do not pose a risk to health and safety. TIQA provides after-sales warranty and implements a customer service policy that emphasizes service delivery, service assurance, and measuring service quality.

CUSTOMER EXPERIENCE

We strive to understand and anticipate customers needs to provide the best customer experience and exceed expectations by facilitating customer interaction with us, including through a digital interface for purchasing products and services, making payments, making requests for service improvements or making complaints. These interactions are supported by digital processes. We also maximize our involvement with customers through customer relationship management known as Customer Facing Units (CFU).

We always strive to improve the customer experience, by actively seeking feedback and input from customers. Our improvement is done in two ways, firstly by quickly fixing simple things, such as process improvement and training. The second way is a radical and comprehensive improvement, which includes aspects of people, processes, systems, and tools. To ensure that our improvements have been received satisfactorily by customers, we measure progress through the close the loop using measurement metrics Net Promote System (NPS) program that has been running since 2018. Through the NPS, we also want to know the latest voice of customers, as input for improvements in customer experience. We also track and monitor NPS, through two levels of measurement, including Top-down NPS (strategic NPS), namely overall customer perceptions about Telkom as measured by external parties and NPS bottom-up (NPS episodes), namely customer experience during interaction directly with Telkom as measured through internal surveys. Our overall NPS score of TelkomGroup has increased 4 points year on year (H2-2018 to H2-2019). Year on year NPS (H2-2018 to H2-2019) in all CFUs varies between 2 to 13 points. We see a consistent improvement in the customer experience that keeps us committed to focusing on improving the customer experience in the years to come.

TelkomGroup NPS scores for 2018-2019, as shown in the following table (units: NPS points).

NPS Score	2019		2018	
	2H 2019	1H 2019	2H 2018	1H 2018
Telkom	43	41	39	39
Point Increase	2	2	0	-

The measurement of customer satisfaction is carried out annually through the Customer Satisfaction Index survey. The following table shows the results of the last three years survey:

CSLS Survey	2019	2018	2017
	%		
Consumer			
Customer Satisfaction Index (CSI)	88.56	87.71	86.56
Customer Loyalty Index (CLI)	83.44	82.84	82.01
Customer Dissatisfaction Index (CDI)	1.04	2.17	2.78
Enterprise			
Customer Satisfaction Index (CSI)	97.70	98.00	97.20
Customer Loyalty Index (CLI)	95.20	96.10	97.40
Customer Dissatisfaction Index (CDI)	0.62	0.58	0.95

The Customer Satisfaction and Loyalty Survey (CSLS) survey is still conducted to find out detailed information that is not accommodated in the Top Down NPS survey. CSLS answers the satisfaction, dissatisfaction, and customer loyalty index through the Structured Equation Method (SEM) approach with the dimensions of Product, Price, Delivery System, Service Mindset and Relationship which are then deepened into the pillars in more detail from each dimension. With this SEM approach, it is easy for Telkom to explore technical and non-technical factors which then become the material of improvement or Opportunity for Improvement (OFI).

CUSTOMER HANDLING SERVICES

In response to customer complaints, Telkom provides different approaches for individual and corporate customers. For individual customers, the complaints may be submitted through complaint channel, such as:

- Apps: myIndiHome.
- Social Media : @IndiHome (Twitter), @IndiHome (Instagram), IndiHome (Facebook).
- Complaint via web chat at www.indihome.co.id.
- E-mail : customercare@telkom.co.id.
- Call Center : 147.
- Plasa Telkom.

Specifically for the celular's customers, Telkom provides "Caroline" call center, which is an abbreviation for customer care online. The contact numbers of Caroline are as follows:

- 188 (24 hours, paid) for postpaid and prepaid subscriber.
- 0807-1811811 (PSTN local rate tariff) for national scale.

Moreover, the corporate customer complaints may be submitted through:

- 1500250 and e-mail tele-am@telkom.co.id and social media @Smart_Bisnis (Twitter) and Smartbisnis (Facebook) for SMB customers.
- 08001 Telkom or 08001035566 and e-mail: c4@telkom.co.id, and social media @TelkomSolution (Twitter) and TelkomSolutionID (Facebook) for corporate customers and Government Institutions.

In 2019, the speed of handling disturbances has increased compared to the previous year. Strengthening technician skills has increased the percentage of problem-solving. The following data shows the average time of repair interruption (Mean Time To Repair or MTTR) in the last three years.

Mean Time To Repair (MTTR) 2017-2019

Description	2019	2018	2017
	Hour		
Mean Time To Repair (MTTR)	7.10	9.80	23.40



EMPLOYMENT, HEALTH, AND SAFETY

Telkom's commitment to labor practices is contained in Resolution of Board of Director Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup Environment, which regulates business ethics with employees. The company is obliged to avoid the practice of employment discrimination and maintain the health, safety, comfort of the work environment.

GENDER EQUALITY AND EQUAL EMPLOYMENT OPPORTUNITIES

Telkom has manpower practices following regulatory requirements and internationally accepted business ethics. One aspect that is highly considered by Telkom is gender equality and equal employment opportunities without discrimination. At Telkom, both men and women can hold positions at various levels according to their competence. This is following Resolution of Director of Human Capital and General Affairs Number PR.208.03/r.00/HK250/COP-B0020000/2012 dated September 10, 2012, regarding Career Management, in which career decision-making must be based on equal opportunity by referring to clear criteria, measurable and objective assessment.

Telkom's recruitment process is carried out based on the principles of open, objective, effective and efficient following Resolution of Director of Human Capital Management Number PR.204.03/r.02/HK200/COP-J2000000/2015 dated June 26, 2015, regarding the Recruitment System. In 2019, Telkom recruited 256 men and 231 women. The number of male and female employees as of the end of 2019 was 17,987 and 6,285 respectively. The greater proportion of male employees rather than female employees in Telkom is not due to discrimination. However, this is because men are more interested in working in the telecommunications industry than women, especially for type of field work.

Employees Recruitment Based on Gender in 2017-2019

Description	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Telkom	256	231	487	349	212	561	253	160	413
Total	256	231	487	349	212	561	253	160	413

Note: For 2019 there is GPTP recruitment via SOE and disability

Employees Based on Gender and Managerial Position per December 31, 2017-2019

Description	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Band I	119	9	128	144	6	150	111	8	119
Band II	604	62	666	607	58	665	498	44	542
Band III	1,661	368	2,029	2,010	355	2,365	2,027	319	2,346
Total	2,384	439	2,823	2,761	419	3,180	2,636	371	3,007

EDUCATION AND/OR TRAINING

Telkom is committed to providing the best employee education and training to increase employee competencies will have an impact on improving Telkom's performance. This program is supported by Telkom's internal policies, namely:

1. Resolution of Director of Human Capital and General Affairs Number PR.206.03/r.00/HK250/COP-B0200000/2013 dated April 12, 2013 regarding Competency Development.
2. Resolution of Director of Human Capital Management Number PR.207.09/r.00/HK200/COP-B02000000/2013 dated December 21, 2013 regarding Educational Allowances for Company Initiatives.
3. Resolution of Director of Human Capital Management Number PR.206.09/r.02/HK200/COP-J2000000/2015 dated June 29, 2015, regarding the TelkomGroup Leadership Development System.

Telkom has always sought to increase quantitatively and qualitatively for employee education and training. In 2019, Telkom provides education and training opportunities for 8,297 men and 4,478 women. This number has generally declined due to a change in the learning method to self-led learning where Telkom provides a knowledge repository based on business needs.

Description	2019			2018			2017		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Certification	1,213	571	1,784	1,140	193	1,333	850	321	1,171
Leadership Development Program	1,215	637	1,852	1,048	426	1,474	822	262	1,084
Regular Training	5,869	3,270	9,139	10,709	1,766	12,475	14,719	6,060	20,779
Total	8,297	4,478	12,775	12,897	2,385	15,282	16,391	6,643	23,034

EMPLOYEE TURNOVER RATE

The turnover rate of Telkom employees in 2019 is 17.61% compared to 15.03% In 2018. Most of the employees who left Telkom were due at their own request.

Description	2019	2018	2017
Total number of Telkom Employees	11,059	12,765	13,956
Employee turnover rate	1,947	1,919	1,506
By own request/voluntary	22	15	15
Becoming a political party official	-	-	-
Becoming an SOE director/government official	9	4	4
Disciplinary misconduct	2	-	-
Marry another Telkom employee	-	2	8
Retired	1,849	1,832	1,407
Pass away	65	66	72
Turnover percentage (%)	17.61%	15.03%	10.79%

Note: restated including retired and pass away data

REMUNERATION

In terms of remuneration, Telkom complies with the Provincial Minimum Wage (UMP) regulations and internal policies namely:

1. Resolution of Board of Director Number KD.28/PS560/SDM-20/2004 dated June 4, 2004, regarding Remuneration Systems.
2. Resolution of Director of Human Capital Management Number PR.207.19/r.00/PS560/COP-J2000000/2015 dated 8 December 2015 regarding System Arrangement and Remuneration Structure.

Telkom set Telkom's lowest salary above the UMP. Furthermore, there is no differences in salary for male and female employee for the same position. The following table shows that the salary provisions apply to all Telkom employees at various levels.

Description	2019		2018		2017	
	Men	Women	Men	Women	Men	Women
Senior Management	100%	100%	100%	100%	100%	100%
Middle Management	100%	100%	100%	100%	100%	100%
Supervisor	100%	100%	100%	100%	100%	100%
Other	100%	100%	100%	100%	100%	100%

RETIREMENT PROGRAM

The retirement age for all our employees is 56 years. We have two pension schemes: (a) Defined Benefit Pension Plan ("DBPP"), which applies to permanent employees who were permanent prior to July 1, 2002 (other than our Directors) and (b) Defined Contribution Pension Plan ("DCPP") which applies to permanent employees (other than our Directors) who were permanent on or after July 1, 2002.

WORK FACILITY AND SAFETY

In terms of occupational safety and health (K3), Telkom has an internal policy on occupational safety in the form of a Decree of the Board of Directors No.37 of 2010 concerning the Establishment of the Company Security and Safety Management Policy dated October 26, 2010. In addition, Telkom also includes K3 aspects in the PKB VII article 48 which states "Telkom is required to maintain the occupational safety and health of employees following applicable laws".

Telkom has also maintained the reputation of safe working hours and zero fatality in recent years and implemented the Occupational Safety and Health Management System (SMK3). One of the initiatives in the K3 management system carried out by TelkomGroup is to conduct emergency response simulations and first aid in accidents. As well as to maintain consistency in the implementation of SMK3, an application is made in the SAS Portal that meets the criteria in Government Regulation No.50 of 2012. Through this program, work safety readiness for employees is felt to increase significantly. As of December 31, 2019, it had received SMK3 (Golden Flag) certification from the Ministry of Manpower for 54 TelkomGroup office locations throughout Indonesia.

RATE OF WORK ACCIDENTS

Telkom has maintained zero accidents since 2016. This is a good achievement of various efforts to handle employee safety and health.

COMPLAINTS HANDLING MECHANISM OF LABOR ISSUES

Telkom understands the importance of manpower as one of the most crucial components in conducting business activities and achieving performance targets as effectively and efficiently. Therefore, Telkom makes the best efforts to minimize the negative impacts of existing labor issues. For example, Telkom provides employee complaint mechanisms for the early detection and settlement of problems.

Complaints of labor issues may be submitted through:

- **HR helpdesk** is a complaint mechanism through the web-in service, mail-in service_HR_helpdesk@telkom.co.id, the phone-in service number 1500305 and Whatsapp as well as Telegram chat in 08111-900-305.
- **HR Wiki** is a search engine service to search information about Telkom's employments and human capital policy catalog.
- **Employee aspiration** is an adaptation of the employee suggestion system (ESS) which may be utilized by the employees to convey their suggestions and aspirations.

Throughout 2019, Telkom received 522 labor complaints and resolved as many as 490 complaints. Most employee complaints regarding administration service, career management and time management. Improvements made by Telkom include:

- Development of complaints through Chat-bot equipped with AI (Artificial Intelligence) in collaboration with the Chat-aja! Application.
- Development and improvement of HR Wiki systems equipped with elastic technology. search to improve user experience.
- Collaboration of a human capital policy catalog database (originally Employee Reference) into the HR Wiki so that employees access human capital information through one access.



COMMUNITY SOCIAL DEVELOPMENT

The company places the CSR program as one of the company's priority programs related to business ethics with social society by Resolution of Board of Directors Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding business ethics in the TelkomGroup environment. In carrying out social responsibility and community service, the company does the following:

1. Build and foster harmonious and harmonious relationships and provide benefits to the communities surrounding the company's place of business.
2. Realizing social contributions, as well as providing company benefits to the community.
3. Encourage a sense of community ownership of the company with the aim that the community participate in protecting the company's assets.

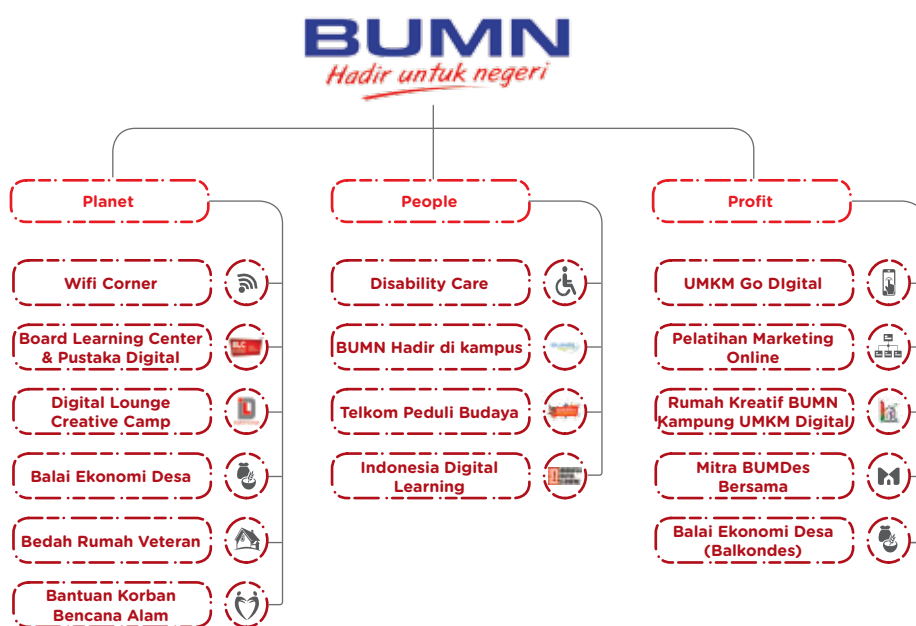
LOCAL WORKERS AND LOCAL VENDORS

Telkom is a business entity that is also an extension of the Government of Indonesia to act as a national development agent. Therefore, Telkom is very concerned about the use of the local workforce and local vendors as a mechanism to support national development.

By the end of 2019, 99.37% of TelkomGroup employees were local workers. There are 151 foreign workers employed due to their capabilities is needed by Telkom and also partly work in a subsidiary that operates abroad. As for vendors, the majority of Telkom vendors are local. As of December 31, 2019, there were 623 local vendors and 10 foreign vendors registered on the SMILE application.

EMPOWERMENT OF OUR COMMUNITIES

Regarding the empowerment of the surrounding community, Telkom has formulated a policy and operational guidelines, namely Resolution of Board of Directors No. PD.701.00/r.00/PR.000/COP-A3000000/2014 dated October 14, 2014, regarding Management of Telkom Corporate Social Responsibility (Telkom CSR). Community empowerment at Telkom was realized in the Partnership and Community Development Program (PKBL) and the Corporate Social Responsibility Program. The PKBL program is an initiative carried out based on the directives and provisions of the Ministry of SOEs regarding PKBL. The Telkom community empowerment program is reflected in the large framework of "BUMN Hadir Untuk Negeri", which in 2019 continued the theme "Telkom Indonesia for Indonesia". The main programs carried are Planet - Digital Environment, People - Digital Society, and Profit - Digital Economy.



Throughout 2019, Telkom has spent Rp418.20 billion in carrying out social responsibility activities, which include community empowerment and social investment. The amount of Rp253.44 billion or 60.6% was delivered through Partnership Program and Rp115.26 billion or 27.5% through the Community Development Program. And the rest is delivered through the Corporate Social Responsibility Program.

The following funds are allocated for community empowerment:

Description	2019	2018	2017
	Rp (Billion)		
Partnership & Community Development Program	368.70	385.86	385.58
Partnership Program	253.44	279.98	303.67
Community Development Program	115.26	105.88	81.91
Corporate Social Responsibility	49.50	39.80	28.50
Total	418.20	425.66	414.08

Partnership & Community Development Program

The community empowerment program through the PKBL program will be discussed in more detail in the Chapter of Partnership and Community Development Program (PKBL) in this annual report.

Corporate Social Responsibility (CSR) Program

During 2019, Telkom carried out various CSR-PR programs which partly focused on education. Through the best infrastructure and services, Telkom supports the younger generation to get proper education, helps teachers improve competencies especially related to digital and improves education facilities in schools. Since 2000, Telkom has started the Internet Goes to School program which is spread in more than 70,000 schools in Indonesia. Telkom's commitment to improving competence is done by presenting the program for Teachers of Teacher Teacher and Indonesian Digital Learning. Telkom also appreciates teachers through the My Teacher My Hero award as an award program for teachers who excel in the use of ICT in the world of Education.

To support the world of Education, Telkom built Broadband Learning Center facilities in more than 4,554 locations throughout Indonesia in schools, madrasah or other public spaces. This facility is equipped with Digital Library facilities which are spread in 4,124 locations including the Plasa Telkom service area with a collection of more than 1,000 e-books that can increase the reading interest of the Indonesian people, especially in remote, outermost and least developed regions.

Theme	Highlight Telkom	Report of The Board of Commissioners and Directors	About Telkom	Management Discussion and Analysis
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As part of the 54th anniversary of PT Telkom Indonesia (Persero) Tbk (Telkom), the National Education Care CSR Program symbolically assists students and teachers in the form of teaching aids and scholarships given to teachers and students imported directly from Riau, Flores and Papua representing 3T regions (*Terluar, Terdepan and Tertinggal*).

Telkom's commitment to build Indonesian Education has been done for a long time through various programs such as the Internet Goes to School, For You Teachers I Dedicate, Indonesia Digital Learning, My Teacher My Hero, Broadband Learning Center, Digital Library, Employee Volunteer Program, and AnniverSafari.

PT Telekomunikasi Indonesia (Persero) Tbk (Telkom) supports the Government's program in the distribution of education in Indonesia, especially for millennial Papua. Telkom offers formal and informal education to improve the quality of education and competitiveness of the people of Papua. This program is a tangible manifestation of Telkom's presence amid society to improve the quality of the nation's next generation.



Minister of BUMN RI Rini M. Soemarno (center) accompanied by Telkom Managing Director Ririek Adriansyah (right) and Telkom Human Capital Management Director Edi Witjara (left) posing with one of the outstanding student aid recipients from Mimika, Papua in a 54-year commemoration event PT Telkom Indonesia (Persero) Tbk (Telkom).



Minister of State-Owned Enterprises of the Republic of Indonesia Rini M. Soemarno handed over symbolically the assistance of Renovation and Digital Learning Devices witnessed by Telkom's Managing Director Ririek Adriansyah and Telkom's Consumer Service Director Siti Choiriana.

ENVIRONMENTAL RESPONSIBILITY

Although in general, Telkom's business processes in the field of telecommunications, are not directly related to the environment compared to other industrial sectors such as mining, plantation, and aviation, Telkom still tries to reduce the minimum impact on the environment. This is following the company's business ethics as outlined in Resolution of Board of Director number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup Environment.

RECYCLABLE AND ENVIRONMENT-FRIENDLY MATERIAL AND ENERGY USE

Telkom has made various efforts to reduce the negative impact on the environment. Since 2010, Telkom has been using AC technology with inverters and LED lights. To conserve the energy use of office buildings, Telkom uses reflective glass with a thickness of 6 mm, in some office buildings, thereby reducing the incoming heat, using a zoning lighting scheme, which distinguishes the lighting area as needed so that it can save energy and apply lighting operating schedules and automated devices to save electricity consumption without disturbing the comfort and safety of building users.

By the end of 2019, TelkomGroup had calculated electricity consumption for fixed and cellular networks, as well as building operations. Total energy consumption in 2019 for this scope is 2,159,673,322 kWh, increase 81,551,452 kWh or 3.9% from the previous year. This increase was contributed by electricity consumption for cellular networks, in line with the increase in the number of BTS. While electricity consumption for STOs has decreased due to the shutdown of several STOs and the transformation of Telkom Cloud or T-Cloud. The following electricity consumption for the last three years:

Electricity Consumption	2019	2018	2017
	Kwh		
Fixed Network (STO)	310,351,518	327,744,883	338,902,852
Operational (Building)	73,244,675	71,226,285	69,556,971
Cellular Network (BTS)	1,776,077,129	1,679,150,702	1,549,658,684
Total	2,159,673,322	2,078,121,870	1,958,118,507

Furthermore, Telkom provides vehicles Employee Shuttle Bus (EMSHUB) which contributes decreasing in the level of congestion in the city of Jakarta. The presence of EMSHUB is supported by Satellite Office facilities in Bogor, Tangerang, and Bekasi that allow employees to continue working while in high traffic. EMSHUB also has a meeting room and collaboration room equipped with video conference and high-speed internet so that it could work mobile comfortably and productively.



Fuel consumption is mainly used for operational vehicles, BTS and STO. In 2019, there will be a reduction in fuel consumption for operational vehicles by around 70% due to a 50% reduction in the number of operational vehicles carried out in stages. The following is the consumption of fuel for the past three years.

Fuel Consumption	2019	2018	2017
	Litre		
Fixed Network (STO)	1,583,986	N/A	N/A
Operational Vehicle	1,463,650	4,799,513	2,545,689
Cellular Network (BTS)	+/- 10,000,000	+/- 12,000,000	+/- 15,000,000
Total	+/- 13,047,636	+/- 16,799,513	+/- 17,545,689

In certain areas where electricity supply which is a base transceiver station (BTS) power source is difficult to obtain, Telkom utilizes solar panels to produce electricity. As many as 32 BTS locations have solar panels with the ability to produce energy every year equivalent to 420,480 kWh.

Telkom's water consumption uses the source of the Regional Drinking Water Company (PDAM). Water usage includes the use of domestic needs. Several efficiency efforts have been carried out, namely implementing water-saving policies and using automatic faucets in some Telkom buildings. The following water consumption in 2017-2019:

Water Consumption	2019	2018	2017
	Litre		
Office Operational	1,881,747	1,779,662	2,034,740
Total	1,881,747	1,779,662	2,034,740

ECO-FRIENDLY WORKING CULTURE

We also strive to educate internal employees to become accustomed to living an environmentally friendly lifestyle. Since 2009, Telkom has started the "Bike to Work" program as one of the campaigns to reduce carbon emissions. Also, Telkom has applied the concept of paperless office to use paper to a minimum, including the use of online official memorandum applications, virtual meetings, shared files, online surveys, and IT-based HR services. During 2019 there were 291,639 online official memorandum published. If each official memorandum requires 1 sheet of paper and addressed to 2 recipients, Telkom has made savings of 583,278 sheets of paper (equivalent to 1,166 reams of paper)



We also educate customers by submitting paperless bills via email and can be viewed through the MyIndiHome and MyTelkomsel applications. From 7.0 million IndiHome customers and 6.4 million postpaid cellular subscribers, Telkom can save 160.8 million sheets of paper (equivalent to 321,600 reams of paper) with the assumption of 1 sheet of billing paper per month in 1 year.

REDUCING CARBON EMISSIONS

So far, TelkomGroup has only done a limited calculation of the use of electricity and fuel. TelkomGroup recorded an increase in electricity consumption by 81,551,452 Kwh (equivalent to an increase in carbon emissions by 28,214 Tons of CO₂ eg) in 2019 and 120,003,363 Kwh (equivalent to an increase in carbon emissions by 41,516 Tons of CO₂ eg) in 2018. As for consumption BBM, a decrease of about 3,751,877 liters (equivalent to a reduction in carbon emissions by 8,523 tons of CO₂ eg) in 2019 and 746,176 liters (equivalent to a reduction in carbon emissions by 1,695 tons of CO₂ eg) in 2018. Although Telkom has not been able to reduce carbon emissions due to an increase in company operations, the increase in carbon emissions produced began to decrease from 39,821 tons of CO₂ eg to 19,690 tons of CO₂ eg.

Carbon Emission	Unit	2019	2018
		Litre	
Increase in Electricity Consumption	Ton CO ₂ eg	28,214	41,516
Reduction in Fuel Consumption	Ton CO ₂ eg	(8,523)	(1,695)
Total Carbon Emission Increased		19,691	39,821

WASTE TREATMENT SYSTEM

Waste management within Telkom and its subsidiaries is adjusted to the existing operational activities. For the management of organic and non-organic waste, not including e-waste, TelkomGroup cooperates with the local Government Cleanliness Agency.

ENVIRONMENTAL COMPLAINT HANDLING MECHANISMS

TelkomGroup is committed to caring for the environment, including the impact of operations on the surrounding environment. If there are complaints related to the environment, the public can submit via email and Telkom's official social media Throughout 2019, Telkom and its subsidiaries have no environmental complaints from the public.

ENVIRONMENTAL AWARD

In 2019, Telkom and its subsidiaries received the Subroto Award for Energy Efficiency in 2019, namely East Jakarta Witel as 2nd Place retrofitted category and GTG Bogor as 2nd Place energy management category.