

GOODS AND SERVICES RESPONSIBILITY

THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY FOR CUSTOMERS

TelkomGroup understands the importance of maintaining customer satisfaction and loyalty for the sustainability of the Company. Therefore, TelkomGroup has business ethics and policies governing the responsibility for goods and services delivered to customers. This commitment stated in the Resolution of the Board of Directors Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in the TelkomGroup.

Several TelkomGroup approaches in ensuring customer satisfaction and loyalty are:

1. Provide clear and understandable information of the customers' rights and obligations before the contract/subscription contract is signed by both parties
2. Fulfill the customers' rights in providing the services stated in the Service Level Guarantee (SLG)
3. Provide and manage customer contact media (complaint counters, phones, emails, and other media) to be more convenient for customers to submit complaints, feedback, and find information about products/services.

THE FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY FOR CUSTOMERS

In formulating corporate social responsibility for customers, Telkom has conducted due diligence that carried out internally on corporate social responsibility in the consumer sector. It is carried out in discussions with related functions or departments and involving independent consultants.

Telkom also has the Telkom Integrated Quality Assurance (TIQA) program as a method and approach to identify and formulate social responsibility and major corporate stakeholders. Through TIQA, Telkom has identified significant direct or indirect impacts of the Company's activities and decisions on consumers. TIQA also aims to ensure that the offered products and services do not harm customers as their health and safety risks. With this program, Telkom strives to ensure that the created products and the provided services do not give any negative impacts on consumers.

Besides, Telkom reviews regulations related to consumer issues, such as Law No.8 of 1999 regarding Consumer Protection. The important CSR issues in the consumer and the relevant Company's business are related to customer satisfaction and loyalty, experience, complaints, and data protection and confidentiality. Issues related to customer health and safety have low relevance in the TelkomGroup business context.

The formulation of corporate social responsibility for customers also considers the consumer risks, both risks to companies and stakeholders. Customer dissatisfaction can hurt the Company's reputation and then could put its economic performance at risk. In line with that, TelkomGroup is also aware of stakeholder expectations regarding the Company's role in handling consumer issues, including listening and resolving complaints, developing innovative and quality products and services.

The implementation of social responsibility activities in the consumer sector could provide mutual benefits for stakeholders, TelkomGroup, and shareholders. Customers would get the advantage of digital telecommunication products and services effectively and efficiently in their daily socio-economic activities with the Company's high-quality products and services. It also supports the sustainable development goals as stipulated in Government Regulation No. 59 of 2017, specifically for providing the telecommunications infrastructure by TelkomGroup that also considers the middle and lower economic groups.

THE PLANNING OF CORPORATE SOCIAL RESPONSIBILITY FOR CUSTOMERS

To maintain the quality of service to customers, TelkomGroup renews the TelkomGroup Customer Experience (CX) management guideline regulation No. PR.169/r.00/HK200/COP-J0000000/2020 valid since December 23, 2020. It is an in-depth guide as a follow-up to the Company Regulation on TelkomGroup Digital Business Management that guides Customer Experience management in TelkomGroup to support the Company's vision and mission achievement.

TelkomGroup has planned several programs during 2020 related to corporate social responsibility for costumers, including:

1. Promoting digital society empowerment, namely encouraging the digital community's empowerment through pioneering digitalization of Indonesian talent education, digitizing the community life aspects through organizing sociodigipreneurship incubation programs for students and university students, deploying internet access infrastructure for education, and improving the quality of education in teacher training activities in the field of ICT (Indonesia Digital Learning).
2. Knitting SME digitalization development, namely realizing the digitalization synergy of Micro and Small Enterprises (MSEs) through the digital platform development for MSEs, commercialization of MSE products in the marketplace, and building MSEs capacity by providing training, mentoring, certification assistance, and participating in local to international exhibitions.

The TelkomGroup social responsibility program plan is essentially trying to reduce the negative impact on consumers and create mutual benefits for stakeholders and the Company. TelkomGroup currently has mechanisms and procedures for customer satisfaction, complaints, and/or conflicts.

In its implementation, TelkomGroup ensures the involvement of stakeholders in various CSR initiatives in the consumer sector. It implemented with annual customer gatherings and satisfaction surveys. Furthermore, TelkomGroup also uses its influence in protecting consumers, such as encouraging suppliers and other partners to prioritize customer satisfaction in their business activities.

Telkom's CSR budget comes from operating expenses recorded as CSR budget following the Board of Directors Regulation No. PD.701.00/2014 dated October 14, 2014. In 2020, the Company costs incurred related to CSR initiatives for consumers were Rp397.14 billion, decreased 5.03% compared to Rp418.20 billion than the previous year.

THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY FOR CUSTOMERS

Following the management guidelines of TelkomGroup Customer Experience (CX) No. PR.169/r.00/HK200/COP-J0000000/2020 as stated in Article 5, Customer Experience is significant in operating the Company's management. It is related to the provider service companies that interact directly or indirectly with customers in particular. The Customer Experience provides feedback on the Company's four main elements such as strategy, service development, customer relationship management, and operation management.

At Telkom, the Board of Directors, management, and employees' engagements in CSR activities for consumers accomplished comprehensively. It is necessary so that all Telkom employees can contribute to customer satisfaction and loyalty according to their respective duties and functions. Customer service programs to customer dispute resolutions involve the management and employees. The Board of Directors is monitoring and evaluating the CSR performance for consumers, including evaluating sustainability reports.

In implementing CSR programs for consumers, Telkom ensures the engagement and/or involvement of relevant stakeholders in the Company's CSR initiatives, especially the customers. One of them is through a customer satisfaction survey. Other activities carried out include customer gatherings and consumer complaint channels.

Telkom understands the demand for accurate and updated information regarding the consumers' desire for Telkom and its Subsidiaries' products and services in the digital telecommunications industry. Therefore, TelkomGroup provides information on various products and services on the following media:

1. Mobile starter pack package
2. Website
3. Promotional activities
4. Intensive marketing communication

Furthermore, Telkom realizes the importance of the Company's position in serving the public as consumers. Therefore, the consumer complaint mechanism or procedure can be used if there is dissatisfaction or conflict with consumers.

If there are complaints related to products and services, consumers can provide suggestion to management with the following media:

- 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.

For the cellular customers in particular, 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:

- 0800-1-835566 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.

PROGRAMS AND ACHIEVEMENTS OF CORPORATE SOCIAL RESPONSIBILITY FOR CUSTOMERS

Following the issuance of TelkomGroup Customer Experience (CX) management guidelines, five main pillars must implement for Customer Experience transformation, namely 1) CX Vision, "To be the one of the most Customer-Centric companies in Indonesia"; 2) CX Metrics in the form of NPS (Net Promoter Score); 3) CX Action, a process of identifying customer pain-points and root causes to be followed up in the form of short-term (fix the basic) and long-term (create the WOW) actions; 4) CX Enhancement which includes 3 aspects of improvement, namely People, Process, and System/Tools; and 5) CX Organization as pillar basic consisting of 3 elements, namely organization, culture, and mindset, as well as communication for both internal and external companies. The Customer Experience Transformation framework was established to help facilitate feedback between the Company and customers. Some of these policies are by the Company to create maximum interaction between customers and Telkom.

Description of the achievements of the consumer CSR initiative:

1. There is information on various achievements of CSR initiatives of community involvement and development.
2. The outcomes provide an overview of the benefits to stakeholders.
3. The outcomes provide a benefits overview for the Company, either directly or indirectly, as responsibility for CSR implementation to shareholders.
4. The outcomes provide an overview of the direct or indirect benefits of sustainable development.
5. Owned awards of community involvement and development.

One of Telkom's measurements made related to CSR for consumers is the ability to handle disturbances so that customer satisfaction and loyalty can be maintained properly. In 2020, the speed of handling disruption increased compared to the previous year. It was due to the stronger of Mean Time To Install (MTTI) and Mean Time To Repair (MTTR) that continuously carried out by increasing the capacity of technicians and improving business processes. Telkom through its subsidiary Telkom Akses, launched the Telkom Akses Command Center as a center for managing access networks with digitally integrated controls. It is also capable of detecting potential disturbance fast in an area so it can repair immediately. An automatically generated predictive ticket will instruct the field technician to take proactive steps for the customer. Furthermore, the agent tracks the ticket completion done by the technician.

The following table is the data of MTTR for the last three years.

Mean Time To Repair (MTTR) 2018-2020

Description	2020	2019	2018
	Jam		
Mean Time To Repair (MTTR)	8.46	7.10	9.80



In 2020, TelkomGroup endeavored to improve customer experience with customers' feedback and input. In making improvements, TelkomGroup determined two ways of solving. The first was improving simple things fast, such as improving processes and training. The second one is radical and comprehensive improvements in various aspects, such as people, processes, systems, and tools.

TelkomGroup measures its progress using the Net Promote System (NPS) measurement metric to ensure that the improvements are adjusted as the customer demands. Also, with the NPS, the Company could find out the updated voice of customers as suggestions. In addition, TelkomGroup could conduct NPS tracking and monitoring on two systems, such as Top-Down NPS and Bottom-Up NPS. Top-Down NPS is the overall customer perception of TelkomGroup as measured by external parties. Bottom-up NPS is the customer experience during direct interaction with TelkomGroup as measured in an internal survey.

TelkomGroup NPS score has increased 2 points YoY (H2-2019 to H2-2020). It indicates that the customer experience increase needs to improve in the future.

TelkomGroup NPS scores during 2019-2020, as shown in the following table (unit: NPS points).

TelkomGroup NPS Score 2019-2020				
NPS Score	2020		2019	
	2H 2020	1H 2020	2H 2019	1H 2019
Telkom	45	43	43	41
Point Increase	2	0	2	2

Besides NPS Top Down, the Company also continues to implement the Customer Satisfaction and Loyalty Survey (CSLS) which informs the index of customer satisfaction, dissatisfaction, and loyalty with the Structural Equation Modeling (SEM) approach. With the SEM approach, the Company can easily trace technical and non-technical factors that will be improvement material or Opportunity for Improvement (OFI) from the dimensions of Product, Price, Delivery System, Service Mindset, and Relationship.

In 2020, TelkomGroup conducted customer satisfaction and loyalty surveys which cover products and services such as Consumer and Enterprise segment customers.

Regarding customer satisfaction, the CSI value increased to 88.72%, and CLI value increased to 86.59%. The increase in survey results at the consumer level occurred due to changes in people's behavior during the pandemic, in which all activities, learning, working, playing, and even exercising were done at home, and the need for entertainment at home also increased so that existing customers tended to be more loyal to service.

Furthermore, in the enterprise customer segment in 2020, the survey conducted showed a CSI of 96.20%. Then, CLI and CDI reached 92.40% and 0.80%. Compared to the previous year, the survey results show a decline but still within reasonable limits, which enterprise customers still want improvement in the use episode and get support for TelkomGroup.

The following table shows the survey results for the last three years by TelkomGroup.

TelkomGroup Customer Satisfaction and Loyalty Survey 2018-2020

CSLS Survey	2020	2019	2018
	%		
Consumer			
Customer Satisfaction Index (CSI)	88.72	88.56	87.71
Customer Loyalty Index (CLI)	86.59	83.44	82.84
Customer Dissatisfaction Index (CDI)	0.44	1.04	2.17
Enterprise			
Customer Satisfaction Index (CSI)	96.20	97.70	96.42
Customer Loyalty Index (CLI)	92.40	95.36	94.53
Customer Dissatisfaction Index (CDI)	0.80	0.55	1.22

Until the end of 2020, Telkom has had certification and awards in the consumer sector. The certifications and awards obtained in 2020 were IndiHome as the 1st Millennials Choice Brand for Internet Provide & TV Cable category from Warta Ekonomi Magazine. Besides, Telkom received an award of Contact Center Service Excellent 147 from Marketing Magazine and One Stop Entertainment Media of the Year from Marketeers Editor's Choice Award.

TelkomGroup also implements CX Actions by identifying the main customers' problems so it can find the problem cause properly and determine the appropriate resolution action. This policy was implemented by establishing the "Fixed the Basic" and "Create the Wow" strategy. Every improvement process is continuously carried out (continuous improvement) whose results can be seen from the various assessments above.

