

## THE GOVERNANCE OF CORPORATE SOCIAL RESPONSIBILITY

As a leading business in the Indonesian telecommunications industry, TelkomGroup also carries out social responsibility towards its stakeholders. With the paradigm of “Telkom ada untuk Indonesia, tumbuh dan berkembang bersama-sama masyarakat Indonesia,” which means “Telkom exists for Indonesia, grows and develops together with the Indonesian people,” Telkom believes that increasing the welfare of stakeholders, including society, and environmental sustainability will also impact the sustainability of the Company. Therefore, TelkomGroup is committed to carrying out social responsibility by applying the principle of “profit-people-planet” (“3P”) or often referred to as “environmental, social, and governance” (“ESG”), as well as contributing to the Sustainable Development Goals (SDGs).

### THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY

TelkomGroup's commitment to social responsibility is based on the principles of good corporate governance or GCG, as well as a Company code of ethics that all Telkom and its subsidiaries' employees must comply with. This commitment is also stated in various Telkom policies, one of them is the Board of Directors Regulation No.PD.701.00/1.00/PR/000/COP-A3000000/2014 dated 14 October 2014, regarding Management of Telkom Corporate Social Responsibility (Telkom CSR).

Furthermore, Telkom as a state-owned enterprise is also required to carry out the Partnership and Community Development Program (PKBL) following the resolution of the Ministry of State-Owned Enterprises (Ministry of SOE). This is stated in the last revision of the Ministry of State-Owned Enterprises' Regulation of Indonesia Number PER-02/MBU/04/2020 regarding the Third Amendment to the Ministry of State-Owned Enterprises' Regulation Number PER-09/MBU/07/2015 regarding Partnership Programs and Community Development Programs of State-Owned Enterprise. Under this regulation, TelkomGroup is obliged to carry out various programs to improve socio-economic, community welfare, and nature conservation.

Currently, the PKBL management policy refers to Regulation of the Board of Directors' No.PD.702.00/r.01/PR000/CDA1040000/2017 dated 19 December 2017 regarding the management of the Partnership Program and Community Development Program. Its implementation is technically regulated in the Regulation of the Director of Human Capital Management No.PR.702.01/r.01/PR000/CDC-A10400002018 dated 26 February 2018 regarding Guidelines for the Operational Implementation of the Partnership Program and Community Development Program.

The scope formulation of corporate social responsibility is currently being carried out by considering the context of TelkomGroup sustainability, related regulations, and international standards. The implementation of Telkom's corporate social responsibility (CSR) consists of the Partnership Program, the Community Development Program, and the CSR-PR Program. In practice, Telkom CSR has scope in various aspects related to its operational activities and considers the expectations and interests of stakeholders. Those aspects are respecting Human Rights, consumer issues, labor practices, environmental preservation, and community empowerment as well as fair practices, such as anti-corruption, business competition, and intellectual property rights (IPR).

Furthermore, with the issuance of Presidential Decree (Perpres) No. 59 Year 2017 regarding Implementing the Achievement of Sustainable Development Goals, Indonesia has determined the Sustainable Development Goals (SDGs) as a national development platform. Therefore, the implementation of TelkomGroup's social responsibility also aims in contributing to Sustainable Development Goals (SDGs). The SDGs' aspects are health and welfare, high-quality education, gender equality, use of clean energy, good employment, and economic growth, infrastructure development especially digital telecommunications, and sustainable urban settlements.

Other regulations that form the basis of TelkomGroup's social responsibility are OJK Regulation No.51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Service Institutions, Issuers, and Public Companies. As a Company listed on the Indonesia Stock Exchange, Telkom is obliged to comply with this regulation and make POJK No.51/2017 as one of the foundations for corporate social responsibility.

In implementing social responsibility, TelkomGroup respects and considers the expectations of stakeholders. Telkom's stakeholders are customers, employees, shareholders and investors, the Government of Indonesia, partners, creditors, community, and the mass media. TelkomGroup has various mechanisms and approaches for engaging the parties, such as customers, investors, and the Government, as well as employees. By using social media and other digital technologies, Telkom accommodates their aspirations as a consideration the social responsibility implementation.

Furthermore, in the social responsibility implementation, TelkomGroup complies with applicable laws and is consistent with international norms of behavior. One of them is that the TelkomGroup respects human rights in conducting its business following the international human rights conventions and the Human Rights Law. In the employment aspect, TelkomGroup strives to meet work health and safety following the international standards and best practices in telecommunications industry.

Throughout 2020, Telkom strived to encourage socially responsible behavior in all parts of the organization, including the units, functions and divisions of the parent Company and subsidiaries. It was achieved based on the socialization of the Company code of ethics and the development of corporate culture to all TelkomGroup personnel.

The organization and its arrangement of Telkom CSR initiatives is based on industry needs and characteristics. Nowadays, Telkom CSR consists of the Partnership Program, the Community Development Program, and the CSR-PR Program. The Partnership Program and Community Development Program (PKBL) are under the authority of the Community Development Center (CDC) unit. Then, the Sub Department of Corporate Communication is authorized to manage the CSR-PR Program.

In terms of financing, Telkom's social responsibility budget comes from operating expenses recorded as the CSR budget according to the Board of Directors' Regulation No.PD.701.00/2014 dated October 14, 2014. The total budgeted and realized funds for 2020 show in the following table.

Unit	Budget (Rp billion)	Realization (Rp billion)
Sub Department Corporate Communication	50.76	23.69
Community Development Center (CDC)	348.94	346.39

The budget increased compared to 2019 of Rp49.5 billion for the Corporate Communication Sub Department, and it decreased from 2019 for CDC of Rp368.70 billion. Regarding the handling of COVID-19, Telkom disbursed funds of Rp5.21 billion under the Corporate Communication Sub-Department Unit and Rp35.7 billion under the CDC Unit, which mostly use for PPE, medicines, medical device assistance, Social Security Networks, Iftar Ramadhan Package, Orphans & Santri Donation Package, and COVID-19 pandemic response activities.

## THE FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY

Telkom formulates the social responsibility and community development programs to fulfill its principles and perform them through internal discussions involving the CDC Unit and the Corporate Communication Sub-Department. In line with the identification of primary social, economic, and environmental issues, Telkom has also identified significant stakeholders affected or influencing the Company's operations.

The identification and formulation of corporate social responsibility and significant stakeholders are approached by defining the priority impacts directly and indirectly on the Company's core activities. Telkom also regularly reviews all regulations, including regulations related to social responsibility issues.

By referring to international standards, such as the Global Reporting Initiative (GRI), the Sustainability Accounting Standard Board (SASB), ISO 26000 Guidance for Social Responsibility, and Sustainable Development Goals (SDGs), the formulation mechanism for important social responsibility issues is carried out with internal analysis and discussion related to the sustainability context of the Company and its stakeholders. Telkom also formulates various potential risks from corporate social responsibility failure. In addition, Telkom also formulates stakeholder expectations of the Company's social role.

## THE PLANNING OF CORPORATE SOCIAL RESPONSIBILITY

Telkom's CSR strategy and planning refer to the previous formulation results of Telkom's social responsibility. Telkom currently has social responsibility initiatives that serve as guidelines to reduce the negative impact of various decisions and activities of the Company. Telkom shows its commitment to creating advantages for the Company, stakeholders, and sustainable development in this CSR or strategic SR initiative. For preparing Telkom's CSR strategy, stakeholder engagement, and analysis of the TelkomGroup sustainability context, including referring to international regulations and standards, to be the fundamental mechanisms and approaches in formulating CSR initiatives or strategies.

The following is the framework of social responsibility initiatives for Telkom and its subsidiaries.

### TelkomGroup's Social Responsibility Initiatives

The Mechanisms and Approaches	Topic and Initiative	Engagement of the Main Stakeholders	Direct and Indirect Major Impacts
Company's Vision and Mission International Standard Regulation	<b>Sustainable in Business and Use of Technology</b> <ul style="list-style-type: none"> <li>Environmental footprint &amp; energy</li> <li>Managing systemic risks</li> <li>Product end of life and e-waste management</li> </ul>	Strategic and comprehensive engagement of the main stakeholders: <ul style="list-style-type: none"> <li>Customers</li> <li>Employees</li> </ul>	The use of technology hardware and infrastructure would impact the environment and the carbon footprint of greenhouse gases. Besides, the no longer used hardware and infrastructure would be possible to become waste that damages the environment. Therefore, Telkom needs to manage this impact.
	<b>Protection of Data &amp; Information</b> <ul style="list-style-type: none"> <li>Data privacy &amp; data security</li> </ul>	<ul style="list-style-type: none"> <li>Shareholders and investors</li> <li>The Government of Republic of Indonesia</li> </ul>	Data and information protection is an essential aspect of the digital telecommunications industry, especially in maintaining the trust of the parties of TelkomGroup.
	<b>Engagement with Customer</b> <ul style="list-style-type: none"> <li>Customer satisfaction &amp; loyalty</li> </ul>	<ul style="list-style-type: none"> <li>Partners</li> <li>Creditor</li> <li>Community</li> <li>Mass media</li> </ul>	Customers' engagements need to be organized by Telkom to ensure their satisfaction and loyalty. Thus, Telkom will maintain the stability of its market share and revenue.
	<b>Employee Digital Professionalism &amp; Development</b> <ul style="list-style-type: none"> <li>Training &amp; education</li> <li>Occupational health &amp; safety</li> <li>Business process digitization</li> </ul>		The development of professional human resources based on digitalization is one of the significant aspects of TelkomGroup's sustainability in the transformation to be a world-class digital telco.
	<b>Digital Economy &amp; Social Value</b> <ul style="list-style-type: none"> <li>Economic impact</li> <li>Social impact</li> </ul>		Community socioeconomic empowerment, especially in the digital economy, is an essential aspect for TelkomGroup to ensure its sustainability. TelkomGroup is looked forward to having a role in stimulating the development and growth of the digital economy.

## THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY

There are several functions in Telkom that currently play a role as work organizations that manage the coordination of CSR implementation. The Community Development Center (CDC) Unit manages the Partnership Program and Community Development Program (PKBL), while the Corporate Communication Program Sub Department is authorized manage the CSR-PR Program.

Furthermore, the engagement and involvement of relevant stakeholders in the Company's CSR initiatives are achieved strategically and comprehensively. One of them is Telkom involving customers in determining the level of customer satisfaction through a survey mechanism. Then, employee involvement is also performed to develop and implement social responsibility in the employment sector, such as work health and safety, and the Collective Labor Agreement (PKB) drafting. The community as a stakeholder is also involved in the planning and implementation of community empowerment programs, both through community development programs and other programs.

### The Commitments of TelkomGroup's Corporate Social Responsibility

#### 1. Commitment for Customers

- a. Provide clear and understandable information about the customers' rights and obligations before the contract/subscription signing of both parties.
- b. Deliver customer rights in providing services as agreed in the Service Level Guarantee (SLG).
- c. Provide and manage customer contact media to make it easier for customers to submit complaints, feedback, and find information about products/services.

#### 2. Commitment for Partners

- a. Provide increased skills, competencies, and training on products/services, service procedures, and service ethics to agents, resellers, installers, and setters to provide product and service knowledge to improve service to customers.
- b. The procuring process of goods and services is a fair, transparent, and accountable manner by involving prospective suppliers/partners who have a good reputation, following applicable laws and regulations and the principles of GCG.
- c. Obligated to select and evaluate work partners objectively.

#### 3. Commitment for Competitors

- a. Efforts to obtain information about competitors' businesses are conducted lawfully and obtained from legitimate sources.
- b. It is prohibited to obtain competitor information by illegal and unethical means, including but not limited to espionage, wiretapping, and/or theft.

#### 4. Commitment for Social Community

- a. Build and maintain a compatible and harmonious relationship, and provide advantages to the community nearby.
- b. Encourage the emergence of the sense of belonging to the community towards the Company aiming the community would take care of the Company.
- c. Minimize the impact on the environment, including but not limited to cable lines excavation and frequency use.

#### 5. Commitment for Employees

- a. Avoid discrimination practices of employees through:
  - Respect the human rights and the rights and obligations of employees following the cooperation agreement.
  - Provide equal opportunities regardless of age, group, ethnicity, nation and religion, alma mater, and gender.
  - Respect religious freedom.
  - Provide equal and fair treatment in terms of employment, benefits, and other compensation.
- b. Maintain a healthy, secure, safe and comfortable work environment through:
  - Provide health insurance for employees and their families.
  - Provide appropriate fees and pension guarantees according to the Company's ability.
  - Fulfilling the aspirations of employees through employee unions and making them partners in building business.
  - Provide a comfortable work environment.

## BUSINESS INTEGRITY, HUMAN RIGHTS, AND FAIR PRACTICES

TelkomGroup strives to maintain integrity based on respect for human rights and fair business practices in its operation. Its realization includes the aspect scopes of anti-corruption, fair competition, intellectual property rights, political involvement, and compliance with laws and regulations

### THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS AND FAIR PRACTICES

TelkomGroup carries out its business activities by respecting human rights under international norms and applicable legal regulations. Human rights aspects related to TelkomGroup business include fundamental rights at work, social and economic rights of the community, and serving of consumer rights. The implementation is through various policies and procedures which integrate into TelkomGroup's business operations.

The commitment to business integrity practices as stated in the Regulation of the Board of Directors No. PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics within the TelkomGroup. The policy covers various aspects includes TelkomGroup's commitment to avoid discrimination practices of the employees, by providing the opportunity to occupy the same position regardless of group, age, ethnicity, nationality, religion, and gender. TelkomGroup is also committed to maintaining a healthy, safe, and comfortable working environment; and ensuring the employees' human rights as a citizen for gathering, associating, organizing, and delivering political aspirations with the definite boundaries.

In line with that, the form of TelkomGroup integrity manifests in the implementation of anti-corruption. This commitment indicates in the Resolution of the Board of Directors Number KD.43/HK290/COP-D0031000/2008 dated 2 December 2008 regarding Anti-Fraud Policy in Telkom, which has been approved and signed by the Board of Directors since December 2, 2008. TelkomGroup also shows its commitment by obtaining the ISO 37001: 2016 certificate regarding anti-bribery management systems in August 2020.

Various Company regulations support TelkomGroup's seriousness in enforcing anti-corruption, such as:

- Resolution of the Board of Directors Number KD.43/HK290/COP-D0031000/2008 dated December 2, 2008 regarding Anti-Fraud Policy in Telkom.
- Resolution of the Board of Directors Number KD.36/HK290/COP-D0053000/2009 dated November 20, 2009, regarding Integrity Pact.
- Regulation of the Board of Directors Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics within TelkomGroup.
- Regulation of Director of Human Capital Management Number PR.209.04/r.00/PS000/COP-A4000000/2016 dated July 26, 2016, regarding Gratuity Control.
- Regulation of Director of Human Capital Management Number PR.209.05/r.01/HK.250/COP-A4000000/2020 regarding Employee Disciplinary

Furthermore, TelkomGroup maintains its business integrity by committing itself to be free from conflicts of interest and not politically influenced, both on a local and national scale. TelkomGroup commits to not being involved in any lobbying and political contributions and carried away into the politics in Indonesia. TelkomGroup strictly prohibits all dispositions of activities related to political activities or lobbying carried out by the Company and Telkom's personnel.

TelkomGroup prohibits employees from participating in campaigns or executing election campaigns. It is under the Regulation of Director of Human Capital Management Number PR.209/01/r.00/HK200/COP-B0200000/2013 dated 30 August 2008 regarding Telkom employees who are Members of Political Parties, Candidates for State Officials, Candidates for Members of the Regional Representative Council, or Candidates for Members of the House of Representatives. Besides, Telkom has never made any other contributions or assistance, including the use of its facilities and infrastructure for election activities.

TelkomGroup's business practices should operate within the applicable legal framework and regulations, to maintain its integrity and increase the trust of stakeholders. One of the significant regulations to be obeyed by TelkomGroup is Law No. 5/1999 regarding the Prohibition of Monopolistic Practices and Unfair Business Competition ("Business Competition Law"). Another regulation that TelkomGroup adheres is Law Number 28 of 2004 regarding Copyright, to consider the intellectual property rights over technology and innovations on its operations. With these various efforts, TelkomGroup strives to ensure its business practices integrity in the 2020 reporting period.

## THE FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS AND FAIR PRACTICES

Telkom formulates corporate social responsibility for human rights aspects and fair operating practices. The formulation considers social, economic, and environmental impacts and issues. Due diligence on corporate social responsibility regarding human rights and fair operations in the TelkomGroup value chain is not carried out specifically but is integrated into various activities and operating procedures.

One of them is the implementation of a procurement process based on digitization to prevent incidents of corruption. Then, another one is the evaluation process on various technologies used by TelkomGroup to ensure there are no violations of IPR. TelkomGroup also has procedures that encourage partners to have fair labor practices.

Furthermore, in recognizing and formulating social responsibility and significant corporate stakeholders for fair operations, Telkom's approach is to identify the direct or indirect significant impacts of Company activities and decisions. The identifications are related to corruption, human rights violations, violations of intellectual property rights, and monopolistic acts. Telkom also regularly reviews all regulations for fair operational issues.

The following table is the significant issues and brief descriptions of social responsibility in fair operations which relevant to the Company's business.

### Description of Significant Issues, Risks, and Stakeholder Expectations of Fair Operations in Social Responsibility

No.	Aspect	Significant Issue	Risk	Stakeholder Expectation
1.	Human Rights	Potential human rights violations by TelkomGroup or partners, in the scope of employment or related to society	Workforce or community demands, which lead to lawsuits or disruption of operations	Basic rights at work as well as social and economic rights of the community are fulfilled
2.	Anti Corruption	Potential for fraud or gratification in the procurement and licensing process	The legal lawsuit that leads to the criminal indictment, and loss of public trust	TelkomGroup is free from incidents of corruption
3.	Business Competition	The bundling of TelkomGroup products and services may be indicated as violating business competition regulations	Fines or demands from the Business Competition Commission	Fair business competition practices
4.	Intellectual Property Rights	Alleged business competition violations in the case of Interconnection, IP Transit, and Netflix blocking.	Lawsuits and fines if proven to violate IPR	Appreciation for IPR, both for internal and external innovations
5.	Political Involvement	The independence of TelkomGroup needs to be protected from political interests that want to benefit from certain parties	Conflicts of interest that would have an impact on financial losses	Not involved in politics, free from political influence and conflicts of interest
6.	Compliance with Laws and Regulations	Strict and dynamic regulations in the telecommunications industry, such as in frequency use, technology import duties, and other aspects	The legal lawsuit that leads to the criminal indictment, and loss of public trust	Compliance with laws and regulations

## THE PLANNING OF CORPORATE SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS AND FAIR PRACTICES OPERATION

Social responsibility planning and fair operating practices aim to reduce the negative impact on its decisions and activities in its value chain. Besides, planning social responsibility initiatives also create benefits and fair operations for stakeholders and the Company, including to increase work productivity.

In the planning process, TelkomGroup involves stakeholders, such as employees and labor unions in the law and regulation boundaries. TelkomGroup also encourages equitable operations in the Company's value chain, such as partners. TelkomGroup takes advantage of its influence to carry out business practices with integrity, including respect for human rights and fair business practices. One of them is the employment and work health and safety that should be considered by work partners.

In particular, TelkomGroup has mechanisms and procedures for dealing with conflicts of fair operations. The WBS is one of the mechanisms and procedures for reporting and resolving complaints about ethics code violations, including complaints regarding human rights and fair operating practices. If there are complaints related to products and services, consumers can provide input to management by email of [customer-care@telkom.co.id](mailto:customer-care@telkom.co.id)

Following the Directors Regulation Number PD.701.00/r.00/PR000/COP-A3000000/2014 dated 14 October 2014 regarding Management of Telkom Corporate Social Responsibility, Telkom's CSR budget, including those related to human rights and fair operating practices, originates from operating expenses recorded as the CSR budget. The total budgeted and realized funds for 2020 have been disclosed and can be seen in The Governance of Corporate Social Responsibility in this Annual Report.

The activity plan and targets for 2020 includes:

1. Telkom Tanggap COVID-19 or Telkom Responds COVID-19, the channel target of 30% of the available allocation is Rp37.5 billion.
2. Internet Untuk Pendidikan or Internet for Education, targeted 7 location points nationally.
3. Sociodigipreneurship Incubation for students and university students, targeted participants of 3000 crowd talent.

## THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY FOR HUMAN RIGHTS AND FAIR PRACTICES OPERATION

Telkom highly appreciates Human Rights that manifest in the basic rights at work. Telkom supports the SEKAR (Employee Union) in its implementation as an organizational forum representing employees for collective negotiations with management, resulted in Collective Labor Agreement or Perjanjian Kerja Bersama (PKB) valid for 2 years and will end on 20 September 2021. TelkomGroup's support for labor unions impacts the good relations between the Company and employees, so that there are not any lawsuit related to the industrial relations throughout 2020.

Fulfillment of human rights in the TelkomGroup work environment throughout 2020 has gone well. The Company carried out activities and budgets related to human rights, including freedom of association and gathering, working hours, underage workers. All parties participate in these activities, including the Board of Directors, Managers, and employees.

Furthermore, for intellectual property rights (IPR), during 2020 Telkom registered 26 IPR which consists of trademarks and copyrights to the Directorate General of Intellectual Property, Ministry of Law and Human Rights of the Republic of Indonesia. It aims to protect and reward the creativity of research as well as product and service development. Registered intellectual property rights in 2020 include:

- Trademarks and services for the Company's goods and services, Company logos and names, as well as Company goods and service product logos;
- Copyrights for computer programs, research, papers, and books.

Based on the Directors Regulation Number PD.605.00/r.00/HK000/COO-D0030000/2011 dated 11 July 2011 regarding Management of Intellectual Property and Intellectual Property Rights, to commercialize intellectual property rights owned by the Company with other parties (co-owner), the transfer of IPR ownership should be done under the permission of the other owner (co-owner) or with the approval of the other owner (co-owner) and/or with the knowledge of the related parties.

In terms of implementing anti-corruption efforts, Telkom implements a procurement and partnership process using an e-auction system application in the implementation under the Regulation of Director of Finance Number PR.301.08/r.03/HK240/COP-A00110000/2020 dated 19 August 2020 regarding Procurement Implementation Guidelines. It aims to minimize physical contact with suppliers so that the tender would be fair and transparent because the process is using computer-based technology.

Telkom selects suppliers through three main stages, such as registration, selection, then continued to the determination of the Eligible Bidder. Supplier Registration, namely suppliers registering online through the Supply Management and Logistic Enhancement (SMILE) application. Supplier selection is a supplier assessment process according to business classifications and several other criteria that result in ranking and short-list. The last process is the Eligible Bidder, the entitled suppliers will be involved in the procurement process. The advantages obtained from this electronic process include the fast tender process, the suitable prospective tender participants with the requirements, the fairness of price, and transparency.

In the selection process, each prospective supplier or contractor must be committed to the rules of labor/human rights, as well as work health and safety. Also, Telkom evaluates supplier performance in providing support to Telkom to achieve the Company's vision and mission. With this process, it is expected that Telkom and its suppliers' relationship will be better, more sustainable, and bring optimal benefits to the Company.

Telkom's commitment to anti-corruption and fraud against external parties, such as vendors or partners, is stated in the Regulation of Director of Finance Number PR.301.08/r.03/HK240/COP-A00110000/2020 dated 19 August 2020 regarding Guidelines for Procurement Implementation. In the implementation, we ask each vendor or partner to sign an integrity pact that states that they will not practice corruption, collusion, nepotism, price collusion, and conflicts of interest.

Telkom's commitment to preventing corruption is also indicated in Telkom's initiative to become the Kolaborasi Tunas Integritas and the Rembug Integritas Nasional (RIN) member. It was initiated by the Tunas Integritas and Organizer of the Pengendali Kepatuhan dan Gratifikasi Kementerian Lembaga Organisasi dan Perusahaan (KLOP). Its activities include being an active member in several events, being a resource person, panel discussions, and benchmarking objects for KLOP and the National Private Sector in the Business Ethics and Integrity development.

Telkom has reviewed and evaluated various mechanisms, initiatives, and internal policies related to anti-corruption as a corrective measure. Since 2020, Telkom has placed 1 (one) its employees to participate in the Integrity Building Expert Certification (API LSP KPK BNSP) and obtaining an Expert Integrity Building Certificate from the KPK LSP in the Integrity Builder Expert Certification event held by LSP KPK-BNSP.

Telkom involves the Board of Directors, management, and employees in its implementation. The Board of Directors reviews and enhances the credibility of social responsibility initiatives. Through the sustainability report, the Board of Directors oversees the social responsibility performance and approves the sustainability report.



Following the Law No.5 of 1999 regarding the Prohibition of Monopolistic Practices and Unfair Business Competition (Anti-Monopoly Law), an agency was formed, the Business Competition Supervisory Committee or Komite Pengawas Persaingan Usaha (KPPU) which functions as an anti-monopoly supervisor in Indonesia. This committee has the authority to apply the Anti-Monopoly Law. The Anti-Monopoly Law and Government Regulation No.57/2010 dated 20 July 2010 regarding Merger or Consolidation of Business Entities and Acquisition of Company Shares Resulted in Monopolistic Practices and Unfair Business Engagement.

Telkom upholds these laws and regulations. Telkom always implements business practices that support healthy competition and respect the role of KPPU. Telkom is also consistently practicing business that prioritizes healthy competition for service excellence, product completeness, and supporting infrastructure as well as operational efficiency. In 2020, there were 3 cases of business competition.

#### **Netflix Blocking**

The status of KPPU's examination of Netflix blocking activities by Telkom and Telkomsel has increased from Investigation to Advanced Investigation, with allegations of the discriminatory practices of PT Telkom Indonesia (Persero) Tbk and PT Telekomunikasi Seluler against Netflix, regarding the Provision of Internet Provider Access Services.

KPPU has submitted a Report on Alleged Violation on September 24, 2020, which Telkom and Telkomsel then respond to by submitting a Response to the Report on Alleged Violation on October 15, 2020. The KPPU submitted a Resolution of the KPPU Assembly, dated November 3, 2020, regarding examination, with an audit schedule. First continuation was on December 10, 2020. The examination carried out with the last agenda of Submission of Conclusions from Investigators, Telkom, and Telkomsel on March 18<sup>th</sup>, 2021.

#### **IP Transit**

In August 2020, we also received a summons for investigation as the Reported Party from the KPPU in connection with the investigation Number 07-164/DH/KPPU.LID.L /II/2020, regarding the alleged Monopolistic Practices of IP Transit Services by Telkom. In August 2020, we provided information on the investigation as requested by KPPU. After the provision of the information, no further summons has been sent to Telkom.

#### **Interconnection**

In June 2020, we also received a summons from the KPPU in connection with investigation Number 48/DH /KPPU.LID.I/XI/2020, regarding the alleged violation of the Anti-Monopoly Law. In this regard, Telkom has submitted a postponement letter, but there has been no follow-up or call back from KPPU.