TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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/CDCA1040000/2017 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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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.

Telkom Indonesia
the world in your hand

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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	**Sustainable in Business and Use of Technology** • Environmental footprint & energy • Managing systemic risks • Product end of life and e-waste management	Strategic and comprehensive engagement of the main stakeholders: • Customers • Employees • Shareholders and investors • The Government of Republic of Indonesia • Partners • Creditor • Community • Mass media	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.
	Protection of Data & Information • Data privacy & data security		Data and information protection is an essential aspect of the digital telecommunications industry, especially in maintaining the trust of the parties of TelkomGroup.
	Engagement with Customer • Customer satisfaction & loyalty		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.
	Employee Digital Professionalism & Development • Training & education • Occupational health & safety • Business process digitization		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.
	Digital Economy & Social Value • Economic impact • Social impact		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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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. Obliged 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.

Telkom Indonesia
the world in your hand

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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 customercare@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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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 Kementrian 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.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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 18th, 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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

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.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

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.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

SOCIAL RESPONSIBILITY FOR
THE WORKFORCE

THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY FOR THE WORKFORCE

TelkomGroup understands the importance of managing a decent workforce to realize the vision of becoming a world-class digital telco Company. TelkomGroup's commitment to the workforce aspect manifests in various ways. One of them is a commitment to ensure no discrimination of rights and obligations in the workplace, such as discrimination against ethnicity, race, religion, gender, and disabilities.

It follows the Resolution of the Board of Directors Number PR.208.03/r.00/HK250/COP-B0020000/2012 dated September 10, 2012, regarding Career Management. With this resolution, both men and women can hold positions at various levels based on their competence with clear, measurable, and objective criteria. Based on the Resolution of the Board of Directors Number PR.204.03/r.02/HK200/COP-J2000000/2015 dated June 26, 2015, regarding the Recruitment System, Telkom's recruitment process is taken an open, objective, effective, and efficient principle.

In the implementation, TelkomGroup is committed to respecting workers' rights of special social facilities such as for disabled workers, breastfeeding mothers, and other social facilities. TelkomGroup also supports women's work participation, such as flexible working arrangements or telecommuting.

TelkomGroup's commitment to social responsibility for the workforce is based on the applicable laws and regulations as well as the Resolution of the Board of Directors Number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics within the TelkomGroup. For the commitment to safety, health, and security in the operational environment specifically, Telkom has a policy stated in the Resolution of the Board of Directors No. KD.37/UM400/COO-D0030000/2010 dated October 26, 2010, regarding the Establishment of Security and Safety Management Policies. In addition to the Resolution of the Board of Directors, Telkom states its commitment by clearly stating "Telkom is obliged to carry out occupational safety and health programs following the prevailing laws" in the Collective Labor Agreement (PKB) VIII article 51.

For the remuneration, Telkom complies with the Provincial Minimum Wage (UMP) regulation and internal policies, such as:
1. Resolution of the Board of Directors Number KD.28/PS560/SDM-20/2004 dated June 4, 2004, regarding the Remuneration System.
2. Resolution of the Director of Human Capital Management Number PR.207.19/r.00/PS560/COP-J2000000/2015 dated December 8, 2015, regarding Remuneration System and Structure Arrangement.

For employee development and education, TelkomGroup is committed to providing employees opportunities without discrimination to develop their full potential according to their duties and responsibilities in the Company. This commitment is in various policies, such as:
• Resolution of the Director of Human Capital and General Affairs Number PR.206.03/r.00/HK250/COP-B0200000/2013 dated April 12, 2013, regarding Competency Development.
• Resolution of the Director of Human Capital Management Number PR.207.09/r.00/HK200/COP-B02000000/2013 dated December 21, 2013, regarding Education Allowances for Company Initiatives.
• Resolution of the Director of Human Capital Management Number PR.206.09/r.02/HK200/COP-J2000000/2015 dated June 29, 2015, regarding TelkomGroup Leadership Development System.

Telkom Indonesia
the world in your hand

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

THE FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY FOR THE WORKFORCE

The social responsibility formulation for the workforce is taken by internal due diligence and regulation reviews related to the workforce issues. Therefore, Telkom also recognizes and formulates social responsibility and significant corporate stakeholders in the workforce sector. The stakeholders are employees, labor unions, and partner employees who work in the TelkomGroup. Then, other key stakeholders are the Government of the Republic of Indonesia, in this case, the Ministry of Manpower, and its regional office.

Furthermore, the social responsibility formulation for the workforce considers the significant direct or indirect impacts of the Company's activities and decisions by emphasizing its key issues and relevance to the business. TelkomGroup is also aware of workforce risks, both for the Company and stakeholders, including their expectations about its role in handling workforce issues. The potential risk of the inconsistent implementation of workforce social responsibility includes decreasing employee productivity and the Company's value in society.

Telkom formulated social responsibility initiatives with its components of the employee, digital, professionalism, and development in internal discussions. Its specific aspects are employee health and safety, development, and digitization of human resource management. Other general aspects include gender equality, equal opportunity for education and training, use of the local workforce, remuneration, promotion, and freedom of association.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

THE PLANNING OF CORPORATE SOCIAL RESPONSIBILITY FOR THE WORKFORCE

The targets/plans for TelkomGroup activities in 2020 to do social responsibility for the workforce are:

1. Gender Issue

Telkom also supports the program to increase the high-ranking women composition in SOEs announced by the Minister of SOE, along with the innovation and transformation of its human resource management. Telkom targets 15% of Senior Management's talent pool to be filled by women, by implementing leadership development programs to bring out the best talents who will advance the Company's performance and performance.

2. Education and Training

The Company provides training programs for all employees to form professional and productive human resources, following the Company business and operational needs. The Company budgeted a minimum of 1.5% of the Unconsolidated Annual Revenue based on Training Need Analysis (TNA) and following the FU HCM Strategy. Training provides to each employee at least two types of training per year.

a. Education:

Distribution of Education Strata

92.2%

7.8%

Master Degree

Doctoral Degree

Distribution of Education Location

64.4%

35.6%

Dalam Negeri

Luar Negeri

Strata Distribution per Employee Position

VI	1
V	36
IV	2 / 36
III	4 / 10
II	1

0 10 20 30 40

Master Degree

Doctoral Degree
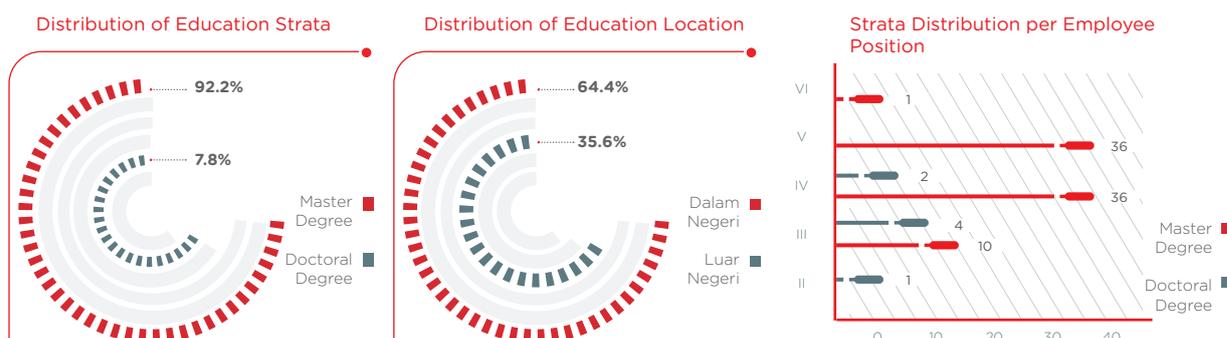
Remarks:
The total number of employees who have been in education is 90 people

b. Training

Training Types	Participants	Programs	Learning Hours
Certification	2,195	242	73,343
Leadership Training	1,016	38	1,520
Regular Training	36,320	1,359	635,238
Technical	34,420	1,292	527,678
Management	1,900	67	107,560
Total	**39,531**	**1,639**	**710,101**

Remarks:
The total number of participants who have attended the training in 2020 were 39,531 people.
Total participants who took the certification = 2,195 people of which there were 1,814 people certified.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

3. Local Workforce

Telkom empowers local workers through a recruitment program with Regional Talent sources under the Recruitment Management Implementation Guidelines v.01 issued by the VP Human Capital Development through official note C.Tel 330/PS 200/COP-A3000000, aiming to fill positions in the specific region.

Telkom also participated in the Program Perekrutan Bersama (PPB) BUMN, which is the Ministry of BUMN measures through FHCI to seek, acquire and develop Indonesia's Best Talents capabilities, with a more open recruitment system and provides equal opportunities for all groups including disabilities and candidates from Papua, West Papua, Maluku, North Maluku, West Nusa Tenggara, and East Nusa Tenggara. They intended to work in their domicile areas or all SOEs operation area. Telkom has accepted 22 employees based on the Company's needs of the 493 all SOE formations.

4. Remuneration and Promotion

Telkom applies the Total Reward System concept consists of:
a. Foundational Rewards (Monthly and Non-Monthly), including various facilities such as special allowances for disaster or conflict areas, holiday allowances, health facilities, housing and transportation, social security, and pension benefits.
b. Career & Environment Rewards (training, coaching/mentoring, scholarship, career opportunity, digital culture).
c. Performance-Based Rewards (corporate/unit/individual variable pay) such as sales and marketing incentives, incentives, and other benefits.

The Telkom compensation and benefits policies are stated in the Collective Labor Agreement or Perjanjian Kerja Bersama (PKB), which is reviewed every three years. Promotion policies implemented in Telkom in an objective, honest, and transparent manner. Telkom has formed a Career Committee responsible for evaluating assessments of employee performance and competency by considering their character, performance, competency, assessment, and other relevant matters.

5. Freedom of Association

Telkom Indonesia is a Company that always puts forward the basic principles in the Constitution of the Republic of Indonesia Article 28E paragraph (3), which regulates freedom of association, assembly, and expressing opinions. The base instrument of freedom of association in Telkom Indonesia is a specific employee organization of Telkom Employees Union or Serikat Karyawan Telkom (SEKAR Telkom). Established on March 1, 2000 and recorded in the Resolution of the Minister of Manpower of Indonesia on February 1, 2001, SEKAR Telkom is the only employee union organization in Telkom Indonesia, which functions as a management control in implementing any policies for employees. Having a total of 7,321 (seven thousand three hundred and twenty-one) members spread throughout the Telkom Indonesia working area, SEKAR Telkom is a constructive partner in any policy formulation related to employee welfare, which is divided into 9 (nine) representative regions from regional offices of Telkom Indonesia. The Collective Labor Agreement, which has now entered its VIII (eight) edition, reflects the balance of industrial relations in Telkom Indonesia. Telkom Indonesia always involves in improving the capabilities of SEKAR Telkom management by regularly providing industrial relations training to all organizers and managers of human capital in each region.

SEKAR Telkom also established four pillars of historical roles as the direction of the organization, namely:
• As a unifying container for employees;
• As a forum for employee aspirations;
• As a constructive partner of management;
• As guardians and enforcers of Good Corporate Governance (Clean, Transparent, and Professional).

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

6. Employee Health and Safety

In 2020 the Company budgeted a budget for employee health and safety during the pandemic of Rp53.3 billion (Source: Daily Report of the Corona Crisis Center Task Force 31 Dec 2020) consisting of an emergency response budget, rapid test implementation, employee health identification, medical recovery of the Health Foundation, distribution of PPE and supplements for CSR, salesforce, and technicians, communication budget and public relations, prevention and handling of COVID-19, operational activities for handling the COVID-19 outbreak, chemical disinfectants, and data collection on Telkom office perimeter.

The Company also budgeted Rp3.0 billion (Source: Daily Report of the Corona Crisis Center Task Force 31 Dec 2020) for security management, building cleanliness, and adaptation of new habits such as entry screening (sinks, thermal guns, rapid test/declaration forms), general cleaning, social distancing markers, spraying disinfectants, cleaning air conditioners, PPE, masks, protective clothing, regulating and health of personnel as well as monitoring during the implementation of the PSBB Transition Extension in Telkom.

TelkomGroup's social responsibility planning for the workforce emphasizes the efforts to reduce the Company's operational impact on the employee, such as the risk of work accidents and potential employee turnover. Besides, it also aims to create mutual benefits for the Company, stakeholders, the Company's employees, and partners' employees, also the government, and society.

The stakeholders' engagement in various Company's CSR activities or initiatives for the workforce is carried out comprehensively. TelkomGroup involves labor unions in the implementation of social responsibility. Besides, TelkomGroup uses its influence to implement social responsibility for the workforce. There are encouraging suppliers and partners to be socially responsible and support the fulfillment of labor rights and obligations in the TelkomGroup.

Telkom provides mechanisms and procedures for handling work safety emergencies and/or conflicts related to the workforce sector if necessary. It aims to minimize the employees' dissatisfaction experienced by providing compliant services as an aspiration forum for employees.

Complaints about workforce issues may be submitted to:
- **HR helpdesk**, is a complaints mechanism through web-in service, email-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 search engine service to search information about Telkom's employements 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.

THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY FOR THE WORKFORCE

In the implementation, TelkomGroup ensures that the management is involved in reviewing and increasing the credibility of CSR initiatives and reports. The engagement of the TelkomGroup's Board of Directors, management, and employees is also carried out comprehensively in CSR activities for the workforce.

On the other hand, TelkomGroup engages relevant stakeholders in CSR initiatives, such as the local Manpower Office and the partners. It is in line with the importance of the Company's position in influencing stakeholders to cooperate in the implementation of CSR for the workforce, that related to work health and safety.

Telkom Indonesia
the world in your hand

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

ACHIEVEMENTS OF CORPORATE SOCIAL RESPONSIBILITY FOR THE WORKFORCE

NON-DISCRIMINATION AND GENDER EQUALITY

In the end of 2020, Telkom recruited 219 men and 223 women. In general, the proportion of male and female employees recruited by the Company is equal.

Employees Recruitment Based on Gender in 2018-2020

Description	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Telkom	219	223	442	256	231	487	349	212	561
Total	**219**	**223**	**442**	**256**	**231**	**487**	**349**	**212**	**561**

Both men and women have the same opportunity to occupy positions at various levels according to their competence. It follows the Resolution of the Board of Directors Number PR.208.03/r.00/HK250/COP-B0020000/2012 dated 10 September 2012 regarding Career Management, which career decision making must be on an equal opportunity by referring to clear criteria, measurable, and objective assessment.

Employees Based on Gender and Managerial Position per December 31, 2018-2020

Description	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Band I	122	7	129	199	9	128	144	6	150
Band II	564	65	629	604	62	666	607	58	665
Band III	1,914	600	2,514	1,661	368	2,029	2,010	355	2,365
Total	**2,600**	**672**	**3,272**	**2,384**	**439**	**2,823**	**2,761**	**419**	**3,180**

Remarks:
BP I, II, III above are Position Bands for Telkom Employees only.

For female employees, Telkom provides a policy of additional leave for menstruation and childbirth. It is given for two days on the first and second day of each month for menstrual leaves, with no reducing the annual leave by attaching a doctor's certificate, regulated in PKB VIII 2019-2021 article 19 paragraph (4). Then, maternity leave is given to pregnant female employees for 3 (three) months, which can implement for 1.5 (one and a half) months before giving birth and 1.5 (one and a half) months after giving birth following Article 19 paragraph (1) PKB VIII 2019-2021. Male employees can use leave with urgent reasons for 7 (seven) days and can be extended as needed based on PKB VIII 2019-2021 Article 18. Besides the right to leave, Telkom's concern for female employees is manifested by providing lactation rooms and disability care.

Besides, based on the MoU between the Ministry of Manpower and the Ministry of SOE, since 2014 TelkomGroup has employed disabled people and will continue to recruit them. The Company has developed an i-CHAT application that can help deaf people communicate. To build positive work competition, the Company also provides awards for disabled people who inspire and contribute to the environment and society (Gantari Award).

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

EDUCATION AND TRAINING

Telkom always improves the quality and quantity of education and training for all employees of Telkom and its subsidiaries. In 2020, Telkom provided educational and training opportunities for 8,293 men and 6,835 women who work at Telkom. It generally increased due to changes in the learning method to the self-learning, which Telkom provides a knowledge repository based on business needs.

Telkom's Employee Participation to Education and Training Program Based on Gender 2018-2020

Description	2020			2019			2018		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Certification	1,179	481	1,660	1,213	571	1,784	1,140	193	1,333
Leadership Development Program	614	344	958	1,215	637	1,852	1,048	426	1,474
Regular Training	6,500	6,010	12,510	5,869	3,270	9,139	10,709	1,766	12,475
Total	**8,293**	**6,835**	**15,128**	**8,297**	**4,478**	**12,775**	**12,897**	**2,385**	**15,282**

REMUNERATION

Telkom sets the lowest salary for Telkom companies to be above the UMP. Besides, there is no difference between male and female employees' salaries in the same position. Percentage of remuneration of lowest permanent employees to the average regional minimum wage was 173%. Then, there is no regulation difference between the salaries of male and female Telkom employees.

Competitively, Telkom provides remuneration packages at every position level, which consists of a monthly salary, allowances, and various facilities, including pensions, healthcare, housing, and others.

EMPLOYEE TURNOVER RATE

The low employee turnover rate could be an indication of decent employee satisfaction. Therefore, Telkom monitors the employee turnover rate continuously.

In 2020, Telkom's employee turnover rate reached 17.92%, increased compared to 2019 of 17.59%. Most of the employees who leave Telkom are due to retirement reasons.

Telkom's Employee Turnover Rate 2018-2020

Description	2020	2019	2018
Total number of Telkom Employees	9,745	11,059	12,765
Employee turnover rate	1,746	1,945	1,919
By own request/voluntary	25	22	15
Becoming a political party official	-	-	-
Becoming an SOE director/government official	4	9	4
Disciplinary misconduct	-	-	-
Marry another Telkom employee	-	-	2
Retired	1,678	1,849	1,832
Pass away	39	65	66
Turn Over percentage (%)	**17.92**	**17.59**	**15.03**

Remarks:
Restated by including retirement & death data.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

RETIREMENT PROGRAM

Telkom defines the retirement age for all employees at 56 years. We have 2 (two) retirement schemes consist of:
1. Program Pensiun Manfaat Pasti (PPMP).
2. Program Pensiun Iuran Pasti (PPIP), which applies to permanent employees (other than Directors) on or after July 1, 2002.

PPMP is regulated in Indonesian pension laws and managed by the Dana Pensiun Telkom ("Dapen"). The Company contributed to Dapen for the years ended December 31, 2020, and 2019 respectively for Rp205 billion and Rp233 billion. The Company did not contribute to Dapen for the year ended December 31, 2018.

PPIP is managed by the Financial Institution Pension Fund (DPLK). Some pension funds plan is borne by the employees partially, while the rest is charged to the Company. The Company's contribution to DPLK is calculated based on a certain percentage of employees' salaries, which for the years ended December 31, 2020, 2019, and 2018 were Rp41 billion, Rp55 billion, and Rp13 billion, respectively.

The Incurred Funds of Telkom's Pension Program 2018-2020

Retirement Program	2020	2019	2018
PPMP (Rp billion)	205	233	-
PPIP (Rp billion)	41	55	13

OCCUPATIONAL HEALTH AND SAFETY ENVIRONMENT

Telkom believes that decent occupational Health and Safety Environment (HSE) will increase employee productivity. It will improve the Company's operational and financial performance. Therefore, TelkomGroup is committed to applying HSE under regulations and best practices in the telecommunications industry with good corporate governance. On the other hand, the implementation of HSE also shows the commitment to the Sustainable Development Goals (SDGs) mainly for the 3rd goal: "Good Health and Wellbeing".

As of December 31, 2020, Telkom was able to maintain zero accidents. It is a good achievement for the occupational Health and Safety Environment (HSE) of Telkom employees. The implementation of HSE does not apply only in Telkom offices but also in projects carried out by Telkom. HSE strictly implemented.

Telkom also evaluates HSE management by internal and external parties. Reviews conducted by internal parties with HSE Management Internal Audit, and external parties by PT Sucofindo, which refers to the standard of Government Regulation No. 50 Year 2012. This standard is used in all Telkom and its subsidiaries' work environments and the partners in the TelkomGroup operational area.

One of Telkom's HSE management system implementation is the emergency response and first aid simulation in accidents, such as flood simulation in Witel Cirebon, and simulation of COVID-19 anticipation in GMP Japati office area. Telkom created an application on the SAS Portal to ensure occupational safety readiness for Telkom employees. TelkomGroup also routinely conducts fire drills, especially in the head office and branch buildings. To strengthen HSE awareness, TelkomGroup routinely holds OHS seminars and training.

During 2020 Telkom held training related to HSE, including training of General HSE and HSE Management Internal Auditor.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

Besides, there are TelkomGroup's programs of occupational safety in the operation field, such as:
1. Safety Talk
2. Safety Observation Round (SOR)
3. Check List of Safe Work Readiness
4. Management Visit
5. HSE Patrol
6. Manufacture and Installation of HSE Signs
7. HSE Team Meeting

In 2020, there were significant health and safety environment issues that are relevant to TelkomGroup business, such as the anticipation and prevention of COIVD-19 pandemic in TelkomGroup.
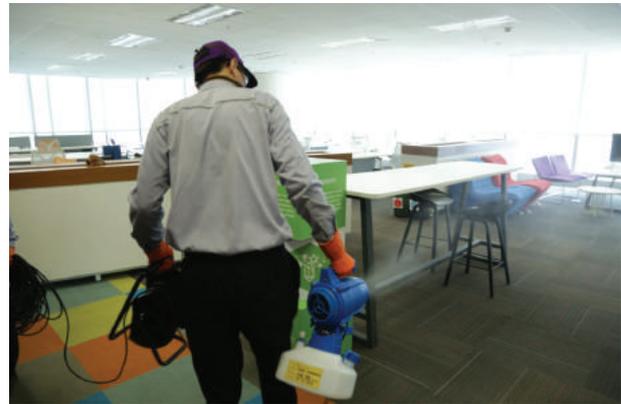
CERTIFICATION AND AWARDS

At the end of the 2020 reporting year, TelkomGroup has several certificates related to Manpower, one of them is TelkomGroup successfully passing the ISO 37001: 2016 Anti-Bribery Management System (SMAP) certification on August 10, 2020.

Telkom also received various awards related to labor aspects in 2020, including Award as a BUMN with the second-best gratification management in 2020 in the BUMN sector in December 2020 on World Anti-Corruption Day (HAKORDIA).

Telkom also always maintains relationships with stakeholders, one of them is the Ministry of Manpower, which Telkom is one of the state-owned companies for pilot projects in submitting the ratification by the General Director of the Directorate of Work Requirements for the Collective Labor Agreement VIII Year 2019-2021 online through an integrated application at the wajiblapor.kemenaker.go.id.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

SOCIAL RESPONSIBILITY FOR COMMUNITY ENGAGEMENT AND DEVELOPMENT

THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY FOR COMMUNITY ENGAGEMENT AND DEVELOPMENT

In principle, TelkomGroup's social responsibility for community engagement and development is very related to the business ethics commitment stipulated 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 Environment. The TelkomGroup community engagement and development initiatives are regulated in the Partnership and Community Development Program (PKBL) framework, which the Company is obliged as a state-owned enterprise (SOE). It is stated in the Directors Regulation No. PD.701.00/r.00/PR.000/COP-A3000000/2014 (PD.701.00/2014) dated October 14, 2014, regarding Management of Telkom Corporate Social Responsibility (Telkom CSR). The implementation of social responsibility for community engagement and development is under the framework of Partnership and Community Development Program (PKBL) and Telkom CSR PR (Corporate Social Responsibility Public Relations).

Telkom CSR PR strategies and policies are the authority of the Corporate Communication sub-department. On the other hand, PKBL is under the Community Development Center (CDC) unit. For the implementation of Telkom CSR policy and operational functions are regulated as follows:
1. Telkom CSR Policy decision is the Telkom President Director's responsibility, assisted by the CDC unit and the Corporate Communication Sub-Department for its operations.
2. The CDC Unit and the Corporate Communication Sub-Department can coordinate with related work units and subsidiaries for their operational activities.

Consistently, TelkomGroup's community socio-economic development initiatives focus on digitalization-based business activities support. It is significant for maximizing the potential of Indonesia's digital economy, with various initiatives in routine and ad hoc activities. On the other hand, TelkomGroup also engages and empowers the nearby community by cooperating with partners that use local labor. The scope of local labor use is related to the operational construction and maintenance of infrastructure.

In 2020 due to the COVID-19 outbreak, TelkomGroup was very concerned about the disruption of its business and community activities. Therefore, TelkomGroup also accomplished various social responsibility initiatives related to pandemic handling and support for the national health system.

THE PLANNING AND FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY FOR COMMUNITY ENGAGEMENT AND DEVELOPMENT

TelkomGroup's CSR program for community engagement and development reflects its efforts to increase its positive social impact and build the community's social capital and independence. In performing this social responsibility, TelkomGroup attempt to create mutual benefits for stakeholders, especially startups and digital entrepreneurs, also Telkom and its subsidiaries for sure.

In the implementation, TelkomGroup ensures the presence of its stakeholder engagement in various community development activities. In a more comprehensive context, TelkomGroup attempt to use its influence, particularly on its subsidiaries and partners, to collaborate in community engagement and development activities.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

Telkom's social responsibility initiative budget for community empowerment is from operating expenses recorded as the CSR budget, according to the Board of Directors Regulation No. PD.701.00/2014 dated October 14, 2014. In the implementation, the CSR budgeted cost for community engagement and development was Rp397.14 billion in 2020. It was lower 5.03% compared to Rp418.20 billion than the previous year.

Furthermore, TelkomGroup provides a complaint mechanism and procedure for stakeholders via email or TelkomGroup social media in conflict handling with the community. TelkomGroup is also open to public critics and suggestions regarding its operational activities and those environmental and social impacts.

If there are any complaints, people could contact 147, the application of MyIndiHome, or www.indihome.co.id/support. They can also use Twitter @IndiHome or email customercare@telkom.co.id and come to the nearest Plasa Telkom. The complaints will be followed up and resolved according to a different Service Level Agreement (SLA) depending on the problem.

Target/Plan of Social Responsibility Activities for The Community Engagement and Development

BUMN untuk Indonesia: Telkom responds to COVID-19

Following the instruction of the Ministry of SOE, the allocation of funds for the Community Development Program for disaster management (natural and non-natural) is 30% of the total Community Development budget. Besides, some policies support stimulus Foster Partners, namely restructuring the Partnership Program loans or postponing the Partnership Program loan installment payment to support the economic-vulnerable business affected by the COVID-19.

Internet for Education

Following the President's direction, such as continue infrastructure development through investment in internet network development to serve rural areas, the Telkom CSR Program provides free internet access for communities to poor internet access areas to support the learning process, with the priority of frontier, outermost, and least developed regions or 3T *(Terdepan, Terluar, Tertinggal)* regions. Internet assistance includes installing internet access, Wi-Fi devices, and computers, with installation targets in 7 locations.

Sociodigipreneurship Incubation for Students, Students, and Employees

Telkom's commitment and one of the CSR focus in education are utilizing the digital competence of the community and the Company, which is expected to contribute to advancing Indonesian education and social investment for the Company for future generations. The program manifests in the incubation of sociodigipreneurship for SMK (vocational school) students (SMK Digi Social Fest), students (Innovillage), and employees *(Ayo Bikin Nyata)* as a forum to foster innovation culture in developing digital solutions that can bring solutions to social issues. The target number of participants involved in this sociodigipreneurship incubation program is 1,500 crowd talent.

Program Digital Amoeba

Following the Amoeba Digital Program or Program Amoeba Digital (PDA) roadmap in 2020, it is expected that innovation can become BAU (business as usual), or innovation become a daily operational activity in TelkomGroup, especially in Regional offices. PDA targets to create additional 120 new digital talents in innovator format, has 40 new incubated products and creates 10 exit products as new businesses. In this year, it is also expected that PDAs will be strong enough to support Indonesia's digitalization development in general and BUMN in particular with the brand Amoeba for Indonesia. Not only the successful PDA in developing intrapreneurial innovation frameworks and techniques (from employees, but not business or entrepreneurs), but also Amoeba products can be used for MSMEs and non-profit organizations.

Indigo Creative Nation

In 2020, the Indigo Creative Nation Program targeted to incubate up to 50 startups, including gaming startups with the Indigo Game Startup Incubation program. Besides functioning as innovation sources for the development of the Company's digital business, the Indigo Program also expects to help people who want to develop their digital business ideas through the DILo Customer Validation program.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY FOR COMMUNITY ENGAGEMENT AND DEVELOPMENTT

The implementation of TelkomGroup's social responsibility initiatives is in the framework of the Partnership and Community Development Program, such as BUMN untuk Negeri, and in the other frameworks. TelkomGroup ensures its management engagement, specifically in reviewing and increasing the credibility of CSR implementation and reporting initiatives. Management is also involved in implementing social responsibility in community engagement and development.

TelkomGroup efforts in the Board of Directors, management, and employees' engagement for social responsibility activities in the community development consist of the planning, budget approval, and achievement evaluation of social responsibility initiatives. The involvement and/or engagement of relevant stakeholders in TelkomGroup CSR initiatives also carried out with various dialogues and activities. Those are involving professionals and C-level practitioners to be inspirational speakers at various TelkomGroup activities.

ACHIEVEMENTS OF CORPORATE SOCIAL RESPONSIBILITY FOR COMMUNITY ENGAGEMENT AND DEVELOPMENT

The social responsibility for community engagement and development carried out by TelkomGroup provides benefits for stakeholders and the Company, either directly or indirectly. The impact on stakeholders, specifically on program beneficiaries, is increased capability, better independence, and the ability to develop a better digital business.

For TelkomGroup, the achievement of social responsibility for community engagement and development is a commitment of corporate social responsibility to shareholders and a direct or indirect contribution to sustainable development.

In empowering the local workforce, as of December 31, 2020, TelkomGroup recorded the local workers at Telkom and its Subsidiaries as 25,123 people. There were 225 foreign workers employed by TelkomGroup because they have the required qualifications. Most of TelkomGroup suppliers are domiciled and owned by Indonesians, such as 852 local suppliers or 98.95% of the total number of suppliers as of December 31, 2020. The supplier data is continuously recorded and monitored on the SMILE application.

During 2020, Telkom has realized Rp397.14 billion for social responsibility activities funds including for community empowerment and social investment. Of the total funds, Rp221.66 billion or 55.81% allocated for the Partnership Program and Rp124.73 billion or 31.40% used for the Community Development Program, while the rest was used for the Corporate Social Responsibility Program.

Realization Funds of Social Responsibility 2018-2020

Description	2020	2019	2018
	Rp (Billion)		
Partnership & Community Development Program	346.39	368.70	385.86
Partnership Program	221.66	253.44	279.98
Community Development Program	124.73	115.26	105.88
Corporate Social Responsibility	50.75	49.50	39.80
Total	**397.14**	**418.20**	**425.66**

Community empowerment programs with the PKBL program is more detailed in the Partnership and Community Development Program (PKBL) chapter in this annual report.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

Achievements of Social Responsibility Activities for The Community Engagement and Development

BUMN untuk Indonesia: Telkom responds to COVID-19

In 2020, Telkom's Community Development Program distributed assistance worth Rp37.5 billion to handle the COVID-19 impact on the community. These assistances are PPE (Personal Protective Equipment), masks, sanitizers, disinfectants. Besides, Telkom has implemented a *Program Jaring Pengamanan Sosial* or Social Safety Network Program through the distribution of basic foodstuffs to poor families, the informal workers, and layoffs by purchasing Telkom's Foster Partners. It is one of the steps to optimize SMEs/Telkom Development Partners.

Internet for Education

In 2020, the Internet for Education Program was held in 7 locations in West Java, Central Java, and East Java. This program is part of Telkom in supporting education and learning programs that are inclusive of society by utilizing digital technology. Next, it would educate the society to make monthly mutual assistance fees when the grace period is over. It is to ensure the sustainability of aid benefits.

Sociodigipreneurship Incubation for Students, Students, and Employees

During 2020, Telkom held three types of sociodigipreneurship incubation programs for three different segments, namely the SMK Digi Social Fest (SMK student segment), Innovillage (student segment), and the *Ayo Bikin Nyata* Program (employee segment). The total number of participants involved in this program was 1,708 crowd talents, consisting of 358 vocational students, 900 students, and 450 employees.

Amoeba Digital Program

As a result of strong collaboration between the Directorate of Digital Business and the Directorate of Human Capital Management, PDA in 2020 has succeeded in encouraging innovation, and digital mindset and culture, to become part of TelkomGroup operations, specifically Regional offices (to become BAU or business as usual). In 2020, through the active 7 AMA satellites in 7 Regionals, PDA will hold several events, including 2 major events HackIdea #5 with 21 teams (product) winners and HackIdea # 6 with 20 teams (product) winners, added Finding Founder in the form of assignments from 6 teams (products) and 8 specific teams from the Wholesale & International Business Directorate. To that end, PDA managed to add 55 new products incubated with the addition of 170 new talents. The COVID-19 pandemic has postponed many activities, including 20 teams from HackIdea #6 with 62 talents, the incubation must be postponed to 2021. Since 2017, PDA has 7,680 talent sourcing for TelkomGroup digital talent (Talents), 226 Amoeba products incubated (Products), and 13 exit products as new businesses. Recorded revenue in 2020 was Rp55.4 billion with an internal cost-saving of Rp670.3 billion (the value of this business impact has not been audited in detail and is indicative of the business units that have benefited from the innovation).

PDAs contribute to creating digital tools products and developing digital-based business processes within TelkomGroup. Besides, PDAs also contribute to the development of the digitization of BUMN. On July 30, 2020, 3 Amoeba innovation products were successful as finalists for the BUMN Millennial Innovation Summit (2 of which were BIGBOX and MANGOESPACE). The three finalists of innovation are the development of infrastructure and big data platforms that also support the Kominfo program, namely One Data (BIGBOX), 3T community empowerment to be able to get better internet access (MANGOESPACE), and a business management platform at the UMKM level which also supports the Ministry's program. BUMN, namely Digital UMKM (PaDi UMKM). PDA provides knowledge sharing to 10 employee innovation management organizations, including the Ministry of State Secretariat and the Human Initiative. In the third quarter of 2020, the Indonesia Telecommunication and Digital Research Institute (ITDRI) was established and PDA management was transferred to ITDRI. It made PDAs will further develop their social benefits directly or through their network of partnerships, especially with all state-owned enterprises. Amoeba will become ITDRI's key brand in 2021, especially for the pentahelix network, which consists of academics, business, government, technology providers, and communities.

Indigo Creative Nation

As of December 31, 2020, 51 teams actively validated new products and new processes, with 23 synergy projects aimed at faster development and validation of TelkomGroup's digital business. Since 2013, Indigo Creative Nation has incubated 183 startups. As of December 31, 2020, 110 startups have started commercial operations and an additional 23 startups have received funding from domestic and foreign investors. Several startups have synergized with us in providing digital products and solutions such as Tees.id, Privy.ID, Run System, Opsigo, Goers, Doclink, Tyranix, Habibi Garden, Muslimlife, Bahaso and Verihubs. Besides, through the DILo Customer Validation program, Indigo has helped as many as 112 new startups to validate their business ideas through intensive mentorship activities.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

During 2020, TelkomGroup received awards in social responsibility for community engagement and development in the following table.

No.	Month	Date	Event	Award	Awarding Institution
1.	February	27	CSR Program Awards 2020	Excellence Corporate Social Responsibility Program in 2020	Iconomics
2.	June	5	Top Corporate Social Responsibility of the year 2020	Special Achievement of The Corporate's Contribution to Social Responsibility In COVID-19 Handling Activities	Infobrand.id
3.	July	15	Teropong CSR Award (TCA) 2020	Gold Winner "Peduli UMKM dan Pengembangan Digital E-Learning"	Teropong Senayan
4.	August	27	Anugrah Gatra Award 2020	The Innovation and Development of MSMEs Economy	Gatra
5.	September	23	PKBL/CSR Awards 2020	Indonesia Best CSRxPKBL Award 2020 "Prosperity, Humanity and Sustainability"	Warta Ekonomi
6.	October	22	La Tofi School of CSR Award	Gold Winner "Peningkatan Mutu Pendidikan"	The La Tofi School of CSR
7.	November	27	HR Excellence Award 2020	Gold Winner in HR Excellence CSR Strategy	Human Resource Online

Top Corporate Social Responsibility (CSR) of the year 2020. This award is a recognition of Telkom's success in its continuous efforts to balance its business activities by considering the concept of profit-people-planet.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

ENVIRONMENTAL
RESPONSIBILITY

THE COMMITMENT AND POLICY OF CORPORATE SOCIAL RESPONSIBILITY FOR THE ENVIRONMENT

TelkomGroup always strives to minimize the negative impact of its policies and operational activities on the environment. It follows the Company's business ethics stated in the policy number PD.201.01/r.00/PS150/COP-B0400000/2014 dated May 6, 2014, regarding Business Ethics in TelkomGroup. The commitment of corporate social responsibility for the environment is by respecting and considering the stakeholders' expectations, complying with applicable laws, and consistent with international norms of behavior.

Telkom encourages socially responsible behavior for the environment on the whole organization, its subsidiaries, and business partners in the implementation. It is expected would contribute to sustainable development, specifically related to the management of energy, water, and waste in the TelkomGroup operational environment. The organization and organizing of corporate social responsibility initiatives in the environment are integrated with other social responsibility initiatives. The implementation of social responsibility in the environment is under the framework of Telkom's social responsibility initiatives.

In the budgeting, the implementation of Telkom's social responsibility for the environment is supported by several budget sources according to the management unit. Some of them are from GSD/Telkom Property (for building electricity and STO, and fuel for operational vehicles), the Digital Service Operation unit (for STO fuel), Telkomsel (for BTS), and Telin and Sigma (for data centers).

THE FORMULATION OF CORPORATE SOCIAL RESPONSIBILITY FOR THE ENVIRONMENT

Telkom has conducted internal due diligence on the various impacts of TelkomGroup decisions and activities for stakeholders and sustainable development.Telkom also reviews every defined policy for all its operational activity. It is to ensure the minimization of negative impacts caused by its activities on the environment.

In principle, Telkom and its subsidiaries always support the Government's efforts to improve environmental conditions, such as mitigation and adaptation to climate change. It realizes the extreme climate change is a sequence of greenhouse effects that would affect all human beings' activities and affect all corporate entities including TelkomGroup.

The potential risks of climate change for TelkomGroup include extreme weather that can damage digital telecommunications networks and infrastructure, and those will impact consumer service and the sustainability of the Company. For prevention, Telkom mitigates the impact of global warming by reducing carbon emissions and supporting the implementation of environmentally friendly business activities.

In recognizing and formulating social responsibility and significant stakeholders for the environment, Telkom has an initiative as a social responsibility approach. The formulating mechanisms of major social responsibility issues are internal discussions, reviewing all regulations related to them, and considering international social responsibility reporting standards, such as the publication of the Global Reporting Initiative (GRI) and Sustainability Accounting Standard Board (SASB).

One of the sustainability initiative pillars in implementing social responsibility for the environment is "sustainable in business and use of technology." This pillar includes energy use, environmental impact management, and electronic waste end-life management. Those aspects represent the significant direct or indirect impacts of the Company's activities and decisions, and the sustainability context of TelkomGroup. It also shows the risks that may occur from the failure of social responsibility implementation which is very related to stakeholder expectations on Telkom's social role.

Besides the high energy use for its operations, the other main activity that impacts the environment is materials use for telecommunications equipment and infrastructure on land and sea. The infrastructure construction includes the submarine telecommunications cables installation, the establishment of Base Transceiver Station (BTS) towers, and other infrastructure installations.

Telkom Indonesia
the world in your hand

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

THE PLANNING OF CORPORATE SOCIAL RESPONSIBILITY FOR THE ENVIRONMENT

In 2020, Telkom's social responsibility planning for the environment including:

1. STO Management
   a. Electric generator optimization for diesel fuel consumption efficiency as its capacity adjusted to the load capacity.
   b. Optimization of air conditioner (AC) system for device room to increase its reliability and electricity efficiency.
   c. Revitalization of the obsolete and inefficient device to another with an efficiency of more than 90%.

2. Pengelolaan BTS
   a. Presenting cutting edge technology that more energy efficient to support operational activities.
   b. Use of Base Transceiver Station (BTS) with clean energy or environmentally friendly.

3. Sigma Data Center Management
   a. AC system consumption saving by temperature and humidity adjustment setting on AC units. It aims to maintain PUE (Power Usage Effectiveness) on average to the efficient level.

4. Telin Data Center Management
   a. Saving water with the gutters on the rooftop to collect rainwater which will be processed and used for water consumption in Jurong-3.
   b. The use of the IoT concept with sensor power for non-IT electronics, such as automatic light adjustment affected by time or hour.
   c. Using Diesel Rotary Uninterruptible Power Supply (DRUPS) technology for backup power sources (generators). This technology replaces batteries which produce a lot of chemical impacts on the environment.

5. Building Management
   a. LED lamp and cooling system management use on office buildings.
   b. Reflective glass uses on most office buildings with a depth of 6 mm to reduce incoming heat.
   c. Use a zoning lighting scheme to adjust the lighting area as its necessity for energy saving.
   d. Apply lighting and automatic device schedule to save electricity consumption without disturbing the user building convenience and safety.
   e. Capacitor bank uses to optimize electricity consumption.
   f. Educate the energy-saving to the employees.
   g. Put the reminder board and sticker in various strategic locations to get the employees aware of power and water saving.
   h. Biopores and infiltration wells in part of Telkom building for rainwater control.

In the implementation, Telkom's social responsibility planning for the environment shows TelkomGroup's commitment to reduce negative impacts on the environment and demonstrate efforts to create mutual benefits of environmental initiatives for the stakeholders and Company. TelkomGroup uses its influence to prevent, mitigate, and improve the environment quality to get maximum impact, including vendor or partner selection that offer more reliable and efficient device.

In the planning, Telkom strives to involve stakeholders in the future environmental activities of the Company. These stakeholders are the more eco-friendly technology provider partner and employees who operate various infrastructure and technologies in the TelkomGroup.

Following the business context, the sustainability aspects of TelkomGroup are not very relevant and significant to environmental incidents, such as explosions or oil spills, which cause emergencies and/or conflicts. However, with the existing mechanisms and procedures, TelkomGroup can prepare itself to face this situation. If there are complaints and suggestions related to the environment, people could send an email via web www.telkom.co.id or Telkom's social media.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

THE IMPLEMENTATION OF CORPORATE SOCIAL RESPONSIBILITY FOR THE ENVIRONMENT

TelkomGroup accomplishes its social responsibility for the environment comprehensively and involves the Board of Directors, management, employees, and relevant stakeholders, such as suppliers or work partners. Management and employees are the executors supported by stakeholders, while the Board of Directors provides direction, supervises, and reviews its performance and reporting. This review will increase the credibility of the activity initiatives and social responsibility reports.

In 2020, TelkomGroup consistently implemented various policies to reduce adverse impacts on the environment. Those are the use of air conditioners with inverter technology, LED lights, and capacitor banks to optimize electricity use, which has been implemented since 2010. Besides, TelkomGroup also educates employees to save energy. In offices, warning boards and stickers are placed at strategic locations to remind employees to save electricity and water. The work area uses a zoning lighting scheme and reflective glass with a thickness of 6 mm in most office buildings to reduce incoming heat.

For STO operation, Telkom optimizes the electric generator's capacity to its load capacity for diesel fuel-efficiency consumption and the air conditioner system of the device room to increase its reliability and electricity consumption. For data center management, Telkom Sigma had AC system consumption saving by temperature and humidity adjustment setting on AC units to maintain PUE (Power Usage Effectiveness) on 1.8 level in 2020. Telin data center in Singapore also improved in the PUE value from 1.73 in 2019 to 1.43 in 2020. Meanwhile, in the operational management of BTS, Telkomsel presents advanced technology to support operational activities, such as the Go Green Fuel Cell Base Transceiver Station (BTS). This commitment is realized by utilizing Fuel Cell through an energy source using Hydro Plus (a mixture of Methanol and Water) and Solar cell with solar energy sources. Telkomsel has implemented this technology in several BTS in several operational areas.

Telkom always reviews the potential environmental impacts while carrying out operational activities, such as installing telecommunication cables and constructing Base Transceiver Station (BTS) towers. Telkom always follows standards according to international norms in development. The Company understands the importance of environmental aspects to avoid the lessen public image risk of neglecting this impact.

ACHIEVEMENTS OF CORPORATE SOCIAL RESPONSIBILITY INITIATIVES FOR THE ENVIRONMENT

The social responsibility programs realization for the environment in 2020 was considered a positive impact on the community. Reducing fuel, electricity consumption, and emissions expected to contribute to the lower climate change impact. On the other hand, through a sequence of the implemented social responsibility programs, TelkomGroup also received positive benefits, both directly and indirectly, such as efficient resources use.

By carrying out social responsibility for the environment, TelkomGroup is committed to providing sustainable development benefits, either directly or indirectly. It is an effort to support Government Regulation No.59 of 2017 related to the sustainable development goals achievement.

ECO-FRIENDLY WORK CULTURE

Telkom understands the importance of creating an environmentally friendly work culture in the operational areas of the Company and its subsidiaries. Besides, partners who work their activities in the TelkomGroup operation area also should understand and support the work culture. One of Telkom's efforts is to socialize an eco-friendly lifestyle, such as reducing plastic beverage packaging and plastic-based material in the ongoing activities.

Since 2009, Telkom has built an eco-friendly lifestyle system. It was marked by the "Bike to Work" program as a campaign to reduce carbon emissions. Also, TelkomGroup has determined several policies, including online official memos, virtual meetings, shared files, online surveys, and IT-based human resource management. During the pandemic, TelkomGroup implemented a Work from Home policy. Besides the health and safety of employees, it could give a positive impact on the environment due to decreased resource use and discharged emissions.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

In 2020 it was estimated that there were 321,827 published online internal official memos. Assuming each official memo is equivalent to 1 sheet of paper and addressed to 2 recipients, Telkom saved as much as 643,654 sheets or 1,288 reams of paper.

TelkomGroup continues to educate customers by paperless bills via email. Besides, customers can also access MyIndiHome and MyTelkomsel applications. From 8.0 million IndiHome subscribers and 6.5 million postpaid cellular subscribers, Telkom can save 147 million sheets of paper (equivalent to 348 thousand reams of paper) assuming 1 bill sheet per month in 1 year.

TelkomGroup through Telkomsel also invites people to show commitment and take real action to reduce plastic use while reducing plastic waste through the #BhayPlastik movement. It has been held since December 2018 aiming to spread environmental awareness, so that people can use plastic wisely.

ELECTRICITY CONSUMPTION

As of the end of 2020, TelkomGroup has calculated electricity consumption includes fixed and cellular networks, building operations, and data centers. The total electricity consumption for 2020 was 2,313,300,900 kWh, increased by 78,447,855 kWh or 3.5% than the previous year.

The electricity increase was due to the consumption of cellular networks in line with the addition of more BTS to strengthen Telkomsel network across country and client colocation, or IT load capacity of data center customers. On the other hand, the electricity consumption decreased due to upgrading STO type device with higher efficiency consumption and the lower electricity consumption of operational building due to the COVID-19 pandemic that decreased the office activities. The following table is the electricity consumption of TelkomGroup for the last three years.

TelkomGroup's Electricity Consumption 2018-2020

Electricity consumption	2020	2019**	2018**
	Kilo Watt Hour (kWh)		
Fixed Network (STO)	287,927,905	323,667,742	338,596,501
Operational (Building)*	71,981,976	80,916,935	84,649,125
Cellular Network (BTS)	1,889,032,157	1,776,077,129	1,679,150,702
Data Center	64,358,862	54,191,239	43,042,256
Sigma Data Center	62,736,741	52,821,841	41,801,266
Telin Data Center in Hong Kong	251,241	90,678	18,430
Telin Data Center in Timor Leste	1,370,880	1,278,720	1,222,560
Total	**2,313,300,900**	**2,234,853,045**	**2,145,438,584**

*Building managed by Telkom Property.
**Restatement.

FUEL CONSUMPTION

Furthermore, through the facility of Employee Shuttle Bus (EMSHUB), Telkom contributes to reducing the congestion and emissions in Jakarta. The presence of EMSHUB is supported by Satellite Office facilities in Bogor, Tangerang, and Bekasi allowing employees to continue their work when the traffic is high. EMSHUB also has a meeting room and collaboration room equipped with video conferencing facilities and high-speed internet so they can work comfortably in a mobile manner and remain productive. Besides, TelkomGroup Board of Directors have also participated in reducing emissions by using electrical vehicles since 2020.

Furthermore, TelkomGroup uses mostly fuel for operational vehicles, BTS, and STOs. In 2020, there was a decrease in fuel consumption around 130,692 liters or 0.9% due to the lower fuel consumption for STO operation by 31.6% due to the increasing PLN continuity supply, so power outage and the low gap of electric generator capacity and its load rarely occurred. Fuel efficiency also shows in the BTS operational due to energy saving and eco-friendly technology use. The following table is TelkomGroup's fuel consumption for the last three years.

TelkomGroup's Fuel Consumption 2018-2020

Fuel Consumption	2020	2019**	2018**
	Litre		
Fixed Network (STO)	1,082,622	1,583,986	N/A
Operational Vehicle*	2,100,567	1,463,650	4,799,513
Cellular Network (BTS)	9,979,993	10,246,811	± 12,000,000
Sigma Data Center	18,215	16,642	27,230
Telin Data Center in Timor Leste	9,000	10,000	12,000
Total	**13,190,397**	**13,321,089**	**±16,838,743**

*Operational vehicles managed by Telkom Property.
**Restatement.

ECO-FRIENDLY ENERGY

To reduce carbon emission, TelkomGroup currently uses eco-friendly energy for BTS. The eco-friendly energy use is not new for Telkomsel. Previously, Telkomsel has utilized alternative eco-friendly energy sources of Fuel Cells and Solar Cells (solar power). We can use this eco-friendly energy thanks to continuous research based on the spirit of maintaining and improving Telkomsel services.

Fuel Cell technology can produce power with exhaust gas of water vapor (zero emission). Telkomsel has deployed 216 Go Green Fuel Cell BTSs and 209 Solar Cell BTSs across Indonesia. The eco-friendly alternative energy use is also part of Telkomsel measures to ensure the broadband networks available across the country.

WATER MANAGEMENT AND CONSUMPTION

In water consumption, TelkomGroup uses water sources from the Regional Drinking Water Company. Water use includes domestic needs. Several efficiencies that have been made were implementing water-saving policies, using automatic taps in most of Telkom buildings and use the AC effluent water. Water saving also implemented by with the gutters use on the rooftop to collect rainwater which will be processed and used for water consumption in Jurong-3. Besides, most of Telkom buildings have biopores and infiltration wells for rainwater control and water reuse. The following table is TelkomGroup's water consumption in 2018-2020.

TelkomGroup's Water Consumption 2018-2020

Water Consumption	2020	2019	2018
	m³		
Office Operational*	1.588.177	1,881,747	1,779,662
Total	**1.588.177**	**1,881,747**	**1,779,662**

*Water consumption for domestic purpose in Telkom Property buildings.

TELKOM
HIGHLIGHTS

REPORT OF THE BOARD
OF COMMISSIONERS
AND DIRECTORS

ABOUT
TELKOM

MANAGEMENT DISCUSSION
AND ANALYSIS

TOTAL ENERGY CONSUMPTION AND CARBON EMISSION

Telkom's total energy consumption in 2020 was 8,753,352 GJ with on-grid electricity consumption of 8,327,883 GJ and fuel consumption of 425,469 GJ from the exposure to on-grid electricity and fuel consumption. Overall, the energy consumption increased by 278,196 GJ or 3.2% from energy consumption in the previous reporting period.

Total Energy Consumption 2018-2020

Energy Consumption	2020	2019	2018
	Gigajoule (GJ)		
Electricity Consumption*	8,327,883	8,045,471	7,723,579
Fuel Consumption**	425,469	429,685	543,150
Total Energy Consumption	**8,753,352**	**8,475,156**	**8,266,729**

* Source: https://www.convertunits.com/from/kWh/to/gigajoule
** (1) Conversion of liters to petrol metric ton (Source: https://www.gowebtool.com/unit-conversion/volume/)
    (2) Conversion of gasoline (metric ton) to gigajoules (Source: http://ideas24.asset4.thomsonreuters.com/ideas24/unit_converter.jsp)

Reducing carbon emissions is one of Telkom and its subsidiaries' efforts to contribute to the environment and sustainable development. So far, TelkomGroup only calculates emissions limited to electricity and fuel consumption. TelkomGroup recorded an increase in electricity consumption of 78,447,855 kWh in 2020 (equivalent to an increase in carbon emissions of 27,140 tons of CO_2eq). For fuel consumption, there were a decrease of approximately 130,692 liters in 2020 (equivalent to a reduction in carbon emissions by 608 tons of CO_2eq). TelkomGroup's carbon emissions of fuel and electricity use can be seen in the following table.

TelkomGroup's Carbon Emission 2019-2020

Description	Unit	2020	2019***
Carbon Emission of Electricity Consumption	$kgCO_2$/TJ	800,309,579	773,169,759
Carbon Emission of Fuel Consumption	$kgCO_2$/liter	34,453,894	35,061,450
Total Carbon Emission		**834,763,473**	**808,231,209**
Carbon Emission Increase in Electricity Consumption	ton CO_2 eq	27,140	30,934
Carbon Emission Reduction in Fuel Consumption	ton CO_2 eq	608	8,065
Total Carbon Emission Increase	**ton CO_2 eq**	**26,532**	**22,869**

*Carbon emission of scope 2 includes electricity consumption
**Carbon emission of scope 1 includes fuel consumption
***Restatement.

WASTE MANAGEMENT

Waste management in Telkom and its subsidiaries depends on its operational activities. For the management of Toxic and Hazardous Waste and non-Toxic and Hazardous waste, they are not classified as e-waste. TelkomGroup coordinates with the Sanitation Office in the local government for waste disposal. For recyclable materials such as used batteries, copper cables, and metal materials, it hands over to the third party. Old devices and equipment were replaced with new ones. It should not use Freon R6 or Halon gas for new air conditioners to reduce carbon gas emissions. In 2020 there were no waste spills that endanger the environment.

CORPORATE
GOVERNANCE

CORPORATE SOCIAL
RESPONSIBILITY

PARTNERSHIP AND
COMMUNITY DEVELOPMENT
PROGRAM (PKBL)

APPENDICES

CONSOLIDATED
FINANCIAL STATEMENTS

PRODUCT END-LIFE MANAGEMENT

Electronic waste (e-waste) management is one of TelkomGroup's concern, which most of the waste is CPE (Customer Premises Equipment). CPE is various hardware related to product and service requirements and installed in the customer location. CPE is related to IT hardware, including desktop PC, peripheral, server, and router. Other hardware in the customer is modem and IP-Set Top Box with remote control for IndiHome subscribers. For CPE procurement, Telkom cooperates with one of the subsidiaries PT PINS. CPE Procurement held by three methods as Fully on Customer (Telkom as operational and maintenance personnel), Fully on Telkom, and Telkom with Customer.

For CPE of Telkom's responsibility, CPE handling adjust to conditions and uses. The decent CPE can be used as a backup in case of disruption or as a replacement device, though it exceeded its useful life. The unsuitable CPE will be stored in the warehouse and wait for management's decision to get the further measure.

The following is the number of CPE withdrawn by TelkomGroup over the last three years.

The Withdrawn CPE and The Treatment 2018-2020

CPE Type	Unit	Treatment Method	2020	2019	2018
Router	Unit	Reused	100	100	50

REDUCING SIM CARD AND VOUCHER CARD

For the last four years, the Government restricts SIM card distribution by requiring all mobile phone subscribers to register their SIM card, following the Ministry of Communication and Information regulation No. 12/2016. This regulation caused a decreased demand for new SIM card.

In line with the Go Digital Channel initiative, Telkom determined a policy to change voucher cards into e-voucher. It is supposed to reduce printing costs, logistics/storage, distribution, and solid waste. People can access e-voucher via digital payment to minimize the base cost of phone credit and support Telkom's program of Go Digital Channel by promoting top-up credit in Own Channel Telkomsel such as LinkAja and MyTelkomsel. In 2020, the percentage of e-vouchers to total voucher sales was 52.7% for Wifi.id and 9% for Telkomsel.

For voucher card printing, Telkomsel has also used eco-friendly SIM card raw materials, and the card size is optimized from 1in1 to 2in1 to get a smaller card size. It directly impacted the waste reduction of new SIM card starter packs and voucher cards in the environmental aspect.

ENVIRONMENTAL COMPLAINTS

TelkomGroup is committed to preserving the environment by minimizing the negative impact of its operations. If there is an environmental complaint, people could submit it via the email listed on the website www.telkom.co.id and Telkom's official social media. In 2020 there were no environmental complaints from the public to Telkom and its subsidiaries.

CERTIFICATION AND AWARDS IN THE ENVIRONMENT

The Company obtained certification for its achievement of social responsibility activities in the environment such as:

1. EMS ISO 14001:2015 from British Standards Institution for Telkom Sigma data center.
2. ISO 50001:2011 dan SS 564 Part-1:2013 from TUV SUD for Telin-3 Data Center in Singapore.

Meanwhile, the National Energy Efficiency Award (PEEN) was not held in 2020 due to the COVID-19 pandemic.