

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-DOO30000/2010 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.

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.



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:

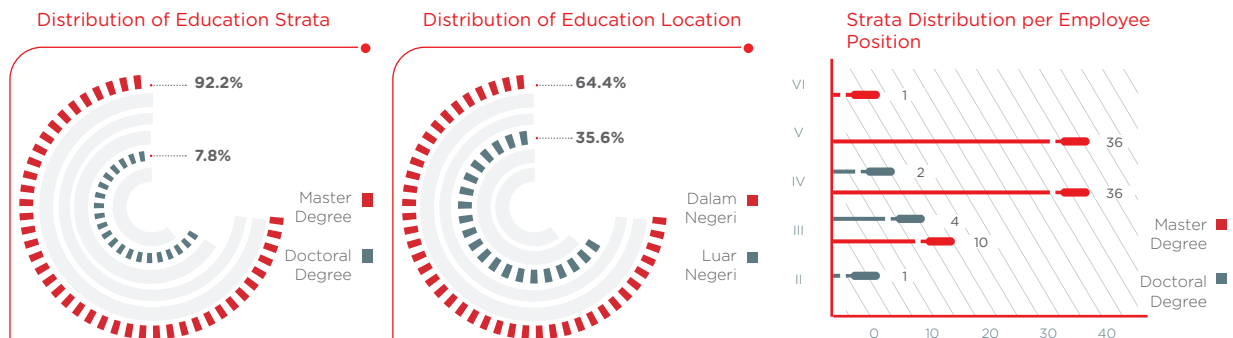
1. Gender Issue

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:



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.

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).

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 employments and human capital policy catalog.
- **Employee aspiration**, is an adaptation of the employee suggestion system (ESS) which may be utilized by the employees to convey their suggestions and aspirations.

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.

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).

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.

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.

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 wajibblapor.kemenaker.go.id.