

Tentang Tema

Karena demikian pentingnya dukungan teknologi informasi dan telekomunikasi (ICT) bagi pembangunan bangsa, kami tunjukkan konsistensi kami dalam berinvestasi, meningkatkan kualitas, dan jangkauan infrastruktur telekomunikasi berbasis digital dan broadband di seluruh wilayah Indonesia. Kami lanjutkan investasi dengan memastikan ketersediaan beragam produk, dan layanan jasa telekomunikasi berbasis teknologi terkini untuk mendukung berkembangnya masyarakat digital Indonesia yang mampu bersaing di tingkat global.

Lebih dari itu, kami merealisasikan berbagai program pengembangan kompetensi yang menyuburkan pertumbuhan potensi ekonomi kreatif dari menguatnya daya saing pelaku ekonomi mikro, kecil dan menengah berkat dukungan sistem digital terintegrasi. Teknologi ICT dan digital yang terintegrasi akan meningkatkan efisiensi kegiatan operasional korporasi sehingga memberi dampak positif bagi upaya pelestarian lingkungan melalui kegiatan ekonomi ramah lingkungan.

Kami sungguh meyakini meningkatnya kehandalan infrastruktur telekomunikasi berbasis digital dan broadband akan mendukung pembangunan ekonomi digital Indonesia yang akan mendukung kemajuan bangsa.

Tema SR Sebelumnya:

- 2013 : **“Menciptakan Peluang dan Talenta Global Berkelanjutan”**
- 2014 : **“Pertumbuhan Kompetitif dan Berkelanjutan Melalui Bisnis Digital”**
- 2015 : **“Mengembangkan Masyarakat Digital Indonesia Untuk Pembangunan Berkelanjutan”**

About the Theme

Considering the importance of telecommunications and information technology support for the development of the nation, we show our consistency in investing to extend quality range and reliability of telecommunications infrastructure in the entire territories of Indonesia. We continue our investment by ensuring availability of various latest technology-based telecommunication products and services to support the development of Indonesia’s digital society that is able to compete in the global era.

Moreover, we create various competence development programs which encourage the growth of creative economy potentials and due to the increase of within micro, small and medium economy entrepreneur’s competitiveness and integrated digital systems support. The integrated ICT and digital technology will improve the efficiency of operational activities of the corporation, so it can give a positive impact for the conservation of environment through eco-friendly economic activities.

We surely believe that the increase of telecommunications infrastructure reliability will support the development of Indonesia’s digital economy, which will then support the progress of the nation.

Previous SR Themes:

- 2013 : **“Creating Sustainable Global Talents and Opportunities”**
- 2014 : **“Sustainable and Competitive Growth through Digital Business”**
- 2015 : **“Building Indonesian Digital Society for Sustainable Development”**



IKHTISAR KINERJA KEBERLANJUTAN

Sustainability Performance Summary

PRODUK

Products

- Mobile
- Fixed
- Wholesale & International
- Infrastructure Network
- Digital Enterprise
- Digital Consumer



JUMLAH PELANGGAN

64,3 juta pelanggan broadband

- 4,3 juta pelanggan fixed broadband
- 60 juta pelanggan mobile broadband

173,9 juta pelanggan seluler

- 4,2 juta pelanggan pasca bayar (kartuHalo)
- 169,7 juta pelanggan pra bayar (simPATI, Kartu As, LOOP)

10,7 juta pelanggan telepon tetap

NUMBER OF CUSTOMERS

64.3 million customers of broadband services

- 4.3 million customers of fixed broadband
- 60 million customers of mobile broadband

173.9 million customers of cellular services

- 4.2 million customers of postpaid (kartuHalo)
- 169.7 million customers of prepaid (simPATI, Kartu As, LOOP)

10.7 million customers of fixed phone line



DISTRIBUTION CHANNEL

- 566
Plasa Telkom
- 487
Grapari Mobile
- MyIndiHome
- 416
Grapari
- MyTelkomsel



INFRASTRUKTUR

Untuk melayani pelanggan dengan lebih baik, sekaligus menumbuhkan bisnis digital, Telkom Group terus melakukan investasi pada infrastruktur yang meliputi jaringan akses, jaringan *backbone* hingga *data center*. Jaringan fiber optik yang terbentang antar pulau dan lintas benua menjadi pondasi pertumbuhan bisnis digital Telkom.

INFRASTRUCTURES

In providing better services to the customers and at the same time developing digital business, Telkom Group continues to invest in infrastructure consisting of access network, backbone network to data center. Fiber optic network that stretches among islands and across continents became the foundation of Telkom digital business growth.

id-Access
True
Broadband
Access

16,4 Juta

Homes-passed

362.200

Access point Wi-Fi

Mendukung *backhaul*/
support *backhaul*

129.033 Unit BTS

61% diantaranya BTS 3G/4G
61% including 3G/4G BTS

id-Ring
Nationwide
Broadband
Backbone

106.000 km

Fiber optic backbone
(termasuk jaringan *backbone*
internasional/ including backbone
international network)

3 satelit

2 satelit dengan total kapasitas 60 transponder
dan Telkom 3S kapasitas 42 transponder (meluncur
pada 15 Februari 2017)
2 satellites with total capacity of 60 transponder
and Telkom 3S with a capacity of 42 transponder
(launching on February 15, 2017)

id-Con
Indonesia
Digital
Convergence

95.000 sqm

Gross facility Data Center

RESOURCE EFFICIENCY

EFISIENSI ENERGI GEDUNG PERKANTORAN

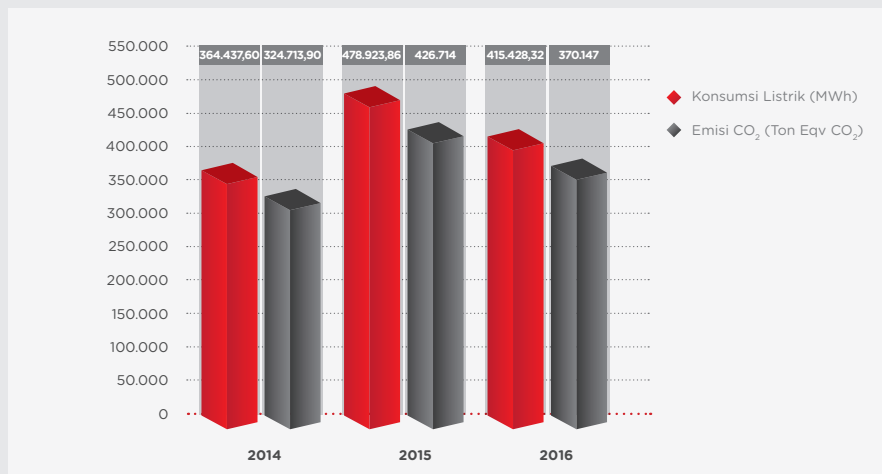
Office Building Energy Efficiency

Sejak tahun 2009, kami melakukan inisiatif untuk mengurangi pemakaian energi listrik yang berkontribusi pada upaya mitigasi emisi gas karbon dioksida (CO₂), diantaranya:

- pemakaian Lampu LED
- AC Ramah Lingkungan
- pemasangan *capacitor bank* di STO
- penggantian TDM switch ke *soft-switch*
- *greendata center*
- efisiensi Energi BTS

Since 2009, we have run program initiative to reduce electrical energy consumption, contributing to the mitigation of emissions of carbon dioxide (CO₂), including:

- use of LED lights
- environmentally friendly AC
- installation of capacitor banks in STO
- conversion from TDM switch into soft-switch
- green data center
- efficiency of BTS Energy



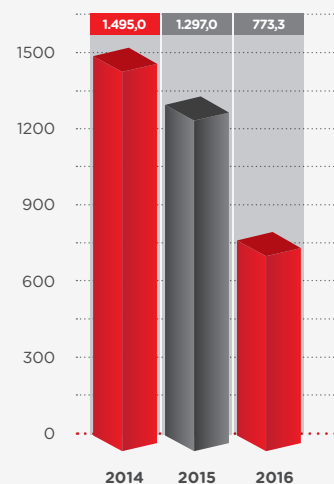
PENGELOLAAN DAN PEMAKAIAN AIR DAUR ULANG

Management and Use of Recycled Water

Kami memandang air sebagai sumber daya yang sangat berharga. Untuk menghemat penggunaan air, kami menerapkan kebijakan melalui kampanye hemat air dan memasang kran-kran otomatis, pemasangan biopori dan penampung air di sekeliling gedung kantor untuk menampung air hujan serta melakukan proses daur ulang air yang secara sederhana dilakukan dengan menggunakan filtrasi berbasis arang.

We believe that water is a very valuable resource. To suppress water consumption, we apply austerity policies through water-saving campaigns and installation of automatic faucets, installation of bio-pores and water containers around office buildings to collect rain water and simple water recycle done by using charcoal-based filtration.

Konsumsi Air (1.000 M³)



REDUCED CARBON

EMPLOYEE SHUTTLE BUS

Employee Shuttle Bus

Selain *Smart Office*, Telkom juga menyediakan bis “*mobile office*” yang dirancang sebagai tempat kerja dan alat transportasi karyawan dari kantor satelit menuju Telkom *Smart Office*. Bis ini dilengkapi fasilitas *video conference*, *high-speed Wi-Fi*, *mini bar*, toilet, dan *silent booth* agar produktivitas karyawan tidak terganggu di tengah kemacetan Jakarta.

In addition to *Smart Office*, Telkom also provides “*mobile office*” buses, designed as a workplace and transportation for employees from satellite offices towards Telkom *Smart Office*. The buses are equipped with facilities, such as *video conference*, *high-speed Wi-Fi*, *mini bar*, toilet, and *silent booth* so that employee productivity is not interrupted in the middle of traffic congestion in Jakarta.



BIKE TO WORK

Bike To Work

Telkom menghimbau karyawan untuk bersepeda ke kantor setiap hari Jumat. Himbauan ini dikeluarkan pada tahun 2009, dan pelaksanaannya diikuti dengan baik oleh cukup banyak karyawan hingga saat ini.

Telkom urges employees to do bike to work every Friday. The recommendation was issued in 2009, the implementation of which is well followed by a lot of employees until this day.

PENGIHAJUAN

Afforestation

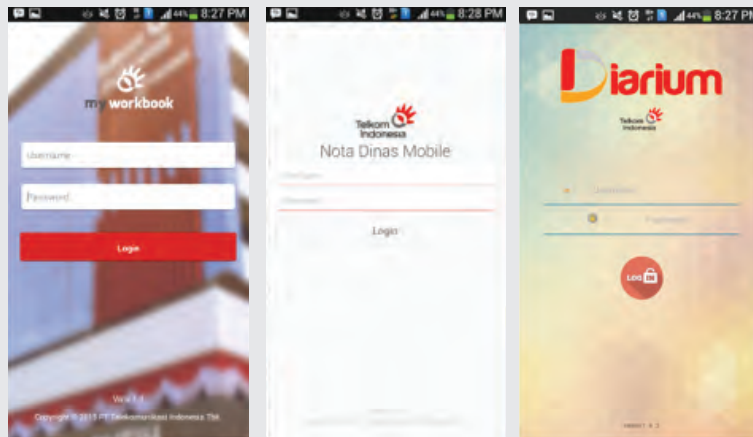
- Penanaman 50.000 pohon di lahan seluas 10 Ha di kawasan Danau Toba, Propinsi Sumatra Utara.
- Pelestarian hutan mangrove dengan menanam 5.000 benih mangrove di Pantai Utara Jawa.
- The planting of 50,000 trees in 10 hectares of land around Lake Toba, North Sumatra Province.
- The preservation of mangrove forests by planting 5,000 mangrove seeds in the North Coast of Java

OPTIMIZING TECHNOLOGY

DIGITAL EMPLOYEE EXPERIENCE

Menyediakan kemudahan digital bagi karyawan melalui: *Teleconference & video conference* (Permata & WEBEX); *ingenium*; *Corporate social media & file sharing* (Diarium), *Cloud storage* (Telkom drop-up); *Nota Dinas Online & Mobile*; *Office Live*; *Online Procurement*; *Online Presence*, *Work diary* dan *Record keeping*; *Data Analytic Library*; *Online Recruitment*.

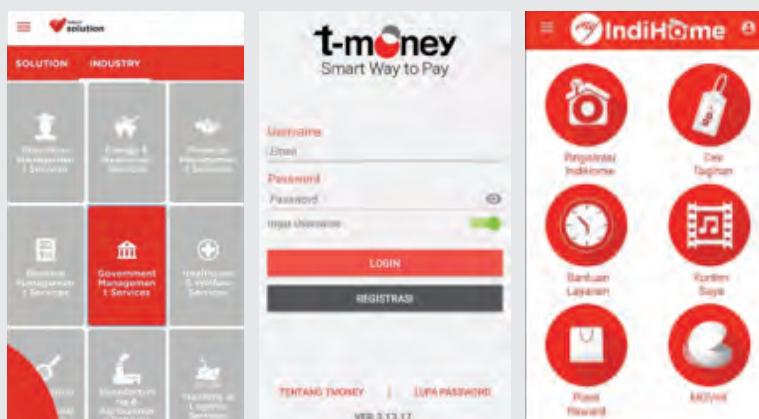
Providing digital convenience for employees through: *Teleconference & video conference* (Permata & WEBEX); *ingenium*; *Corporate social media & file sharing* (Diarium), *Cloud storage* (Telkom drop-up); *Online & Mobile Official Memo*; *Office Live*; *Online Procurement*; *Online Presence*, *Work diary* dan *Record keeping*; *Data Analytic Library*; *Online Recruitment*.



DIGITAL CUSTOMER EXPERIENCE

Memberikan kemudahan melalui *mobile* aplikasi digital melalui: Telkom solution; My IndiHome; My Telkomsel; T-Money; UseeTV; Wifi ID.

Providing convenience through digital mobile applications through: Telkom solution; My IndiHome; My Telkomsel; T-Money; UseeTV; Wifi ID.



EMPOWERING COMMUNITY

Program CSR dan PKBL

Corporate Social Responsibility (CSR) and Partnership and Community Development Program (PCDP)

Rp462,15 miliar
total dana PKBL

A total of **Rp462.15**
billion of PCDP funds

1. Lingkungan

- Taman digital, *wifi corner*
- *Broadband learning center*, pustaka digital
- Rumah kreatif BUMN, kampung digital
- *Digital Lounge, Creative Camp*
- Bedah rumah veteran, pembangunan sarana air bersih
- Bantuan korban banjir

2. Masyarakat

- *Indonesia Digital Learning*
- *My Teacher My Hero*
- *SocioDigi Leader*
- *Disability Care*
- *Service 1000 HP Gratis*

3. Ekonomi

- *UKM Go Digital*
- *Pelatihan Marketing*

1. Environment

- Digital parks, wifi corners
- Broadband learning centers, digital libraries
- SOE Creative Houses, digital villages
- Digital Lounges, Creative Camps
- Home renovation for veterans, construction of water supply systems
- Donations for flood victims

2. Community

- *Indonesia Digital Learning*
- *My Teacher My Hero*
- *SocioDigi Leader*
- *Disability Care*
- *Free Repair of 1000 Mobile Phones*

3. Economy

- *SME Go Digital*
- *Marketing Training*

Employee Volunter Program

Employee Volunteer Program

- Wadah untuk memfasilitasi kegiatan sosial kemasyarakatan bagi karyawan di lingkungan Telkom Group.
- 5.352 Telkomers tercatat sebagai anggota di tahun 2016.
- Empat kegiatan utama, yaitu bakti pendidikan, bakti lingkungan, bakti pelestarian budaya, bakti sosial kemasyarakatan

- An umbrella to facilitate community social activities for employees of Telkom Group
- 5,352 Telkomers recorded as members in 2016.
- Four main activities, including educational service, environmental service, cultural preservation, social services



PENGHARGAAN DAN SERTIFIKASI

AWARDS AND CERTIFICATIONS



PENGHARGAAN DAN SERTIFIKASI AWARDS AND CERTIFICATIONS

PENGHARGAAN AWARDS

Pada tahun 2016 Telkom kembali menerima berbagai penghargaan yang berkaitan dengan tema keberlanjutan baik secara langsung maupun melalui unit bisnis dan anak usaha dari berbagai lembaga independen.

Penghargaan Terkait Keberlanjutan yang diperoleh, mencakup:

In 2016, Telkom received numerous awards related to the theme of sustainability, whether directly or indirectly, through its business units and subsidiaries, from various of independent institutions.

The Sustainability-Related Awards received, consist of:

JANUARY

Asian Most Admired Knowledge Enterprises (MAKE) 2016 Asian Most Admired Knowledge Enterprises (MAKE) 2016

Asian MAKE Winners.

Asian MAKE Winners.

21 January



28 January



Majalah SWA dan Hay Group SWA Magazine and Hay Group

Meraih *Top 10 Companies/ Organization to Work For versi Job Seeker Survey* dalam *Indonesian Employers of Choice Award 2015*.

Achieved the *Top 10 Companies/Organizations to Work For Job Seeker Survey* version of the *Indonesian Employers of Choice Award 2015*.

05 April



Majalah Infobank Infobank Magazine

Telkom meraih *Digital Brand of The Year* kategori BUMN.

Telkom won the *Digital Brand of the Year* category of SOEs.

APRIL

MAY

03 May



Bursa Efek Indonesia (BEI) dan Investor Daily
Indonesia Stock Exchange (IDX) and Investor Daily

“Top Performing Listed Companies 2016” dalam ajang Investor Award 2016.

“Top Performing Listed Companies 2016” in the event of the Investor Award 2016.

Warta Ekonomi

Top 20 Perusahaan Idaman Pilihan Responden dalam Indonesia Most Admired Companies Award.

Respondents Top 20 Picks of Ideal Company in Indonesia's Most Admired Companies Award.

19 May



JUNE

SWA & Business Digest

“The 1st Champion of Indonesia Original Brand 2016” melalui layanan Sambungan Langsung Internasional 007 (Telkom SLI 007).

“The 1st Champion of Indonesia Original Brand 2016” by the International Direct Dialing service 007 (Telkom SLI 007).

08 June



21 July



Brand Finance bekerjasama dengan Majalah SWA
Brand Finance in collaboration with SWA Magazine

Peringkat pertama dalam ajang penghargaan Indonesia's Top 100 Most Valuable Brands 2016 dengan brand value 2.620 million US Dollar dan brand rating AAA-.

Ranked as 1st in the awards of Indonesia's Top 100 Most Valuable Brands in 2016 with a brand value of 2.620 million US Dollar and brand rating AAA-.

JULY

AUGUST

Finance Asia

Meraih CSR kategori dalam *Indonesia's Best Companies Awards*.

Achieved CSR category in *Indonesia's Best Companies Awards*.

25 August



06 September



AON Hewitt

Best Employer 2016 dan *Best of The Best 2016* dalam AON's *Best Employer Award 2016*.

Best Employer 2016 and *Best of the Best 2016* AON's *Best Employer Award 2016*.

SEPTEMBER

Indonesian Human Capital Study (IHCS) 2016

Penghargaan atas 6 kategori terbaik, yaitu *Best Employee Net Promotor Score*, *Best Career Management Initiatives*, *Best Talent Management Initiative*, *Best Employee Self Service Initiatives*, *Best of CEO Commitment of Human Capital Development* untuk Alex J Sinaga. Dan dengan seluruh penghargaan ini menempatkan Telkom sebagai *Best of All Human Capital Criterias (Best of the best)*.

Awards as the best of 6 (six) categories, namely, *Best Employee Net Promotor Score*, *Best Career Management Initiatives*, *Best Talent Management Initiative*, *Best Employee Self Service Initiatives*, *Best of CEO Commitment of Human Capital Development*. These awards allow Telkom to win the *Best of All Human Capital Criterias (Best of the Best)*.

08 September



15 September



SWA, MARS, METRO TV

IndiHome, layanan *Triple Play* dari PT Telkom Indonesia (Persero) Tbk (Telkom) meraih penghargaan *Merek Terbaik* dalam ajang *Indonesia Best Brand Award 2016*.

IndiHome, *Triple Play* services from PT Telkom Indonesia (Persero) Tbk achieved an award as the *Best Brand* in the *Indonesia Best Brand Award 2016*.

OCTOBER

Bursa Efek Indonesia (BEI) Indonesia Stock Exchange (IDX)

Telkom meraih *IDX TOP TEN Blue 2016* dalam ajang penghargaan *The IDX Best Blue 2016*.

Telkom won *IDX Blue TOP TEN 2016* award in *The IDX Best Blue 2016* event.

03 October



07 October



BEI dan Asosiasi Analisis Efek Indonesia (AAEI) IDX and Association of Indonesian Securities Analysis (AAEI)

40 Emiten Terbaik dalam Apresiasi 40 Emiten Terbaik Pilihan Analis.

40 Best Issuer in the Appreciation of Analyst Top 40 Picks of Issuers.

La Tofi School of CSR

Program Indonesia *Digital Learning* (IDL) yang fokus terdapat pelatihan digital bagi guru-guru di Indonesia berhasil meraih penghargaan sebagai *The Best Program* untuk Kategori Peningkatan Mutu Pendidikan dalam ajang *Nusantara CSR Summit & Awards 2016*.

Indonesia's *Digital Learning* (IDL) Program, focusing on digital training for teachers in Indonesia was awarded as the *Best Program* for Education Quality Improvement Categories in *Nusantara CSR Summit & Awards 2016* event.

18 October



20 October



Forbes Indonesia Indonesian Forbes

Top 50 best performing Indonesian Companies dalam Forbes Indonesia *Best of The Best*.

Top 50 best-performing Indonesian Companies in Forbes Indonesia's *Best of The Best*.

NOVEMBER

Frost and Sullivan

Telkom sebagai *Telecom Service Provider of The Year* dan *Fixed Broadband Service Provider of The Year* dalam ajang Indonesia *Excellence Award*.

Telkom as *Telecom Service Provider of the Year* and *Fixed Broadband Service Provider of the Year* in the Indonesia *Excellence Award* event.

03 November



17 November



MORS Group

Telkom sebagai perusahaan yang memberi perhatian lebih pada budaya perusahaan dan juga kesejahteraan karyawan maka Telkom terpilih menjadi *Top Companies to work for in Asia* dari *ACES Award*

Telkom being a company that emphasizes on its corporate culture and also the welfare of the employees was chosen as the *Top Companies to work for in Asia* from *ACES Award*

Itech Mags, ASPEKTI, IKTI, MASTEL, Alvara, ATSI, ABDI, FORTI

Telkom menerima 6 kategori penghargaan TOP IT & TELCO 2016: *Top IT Implementation on ICT Sector 2016*, *Top IT Leadership 2016* untuk Alex J Sinaga, *Top CSR Based on IT*, *Top Corporate on Digital Transformation Readiness 2016*, *Top Internet Service Provider 2016*, *Top Fixed Internet Provider 2016* (Indihome).

Telkom received 6 award categories of TOP IT & TELCO 2016: *Top IT Implementation on ICT Sector 2016* *Top IT Leadership in 2016* for Alex J. Sinaga, *Top CSR Based on IT*, *Top Corporate on Digital Transformation Readiness 2016* *Top Internet Service Provider 2016* *Top Fixed Internet Provider 2016* (Indihome).

23 November



07 December



Economic Review & Sinergi Daya Prima

Meraih Predikat Sangat Baik dalam Pengelolaan GCG dalam Indonesia *Good Corporate Governance Award II 2016*.

Achieved Very Good Predicate in GCG Management in Indonesia *Good Corporate Governance Award II 2016*.

DECEMBER

16 December



NCSR & SWA

Best Sustainability Report 2015 Category Infrastructure Runner Up 2 dalam Sustainability Report Award 2016.

Best Sustainability Report 2015 Infrastructure Category Runner Up 2 in the Sustainability Report 2016 Award.

SWA

Telkom Indonesia meraih penghargaan "The 1st Rank of Indonesia SOE Performance 2016", Kategori: Telekomunikasi.

Telkom Indonesia achieved the 1st Rank of Indonesia SOE Performance Award 2016, Category: Telecommunication.

18 December



22 December



IICG & SWA

MOST TRUSTED COMPANY based on Corporate Governance Perception Index dengan Score: 91,18 dan MOST TRUSTED COMPANY based on Investors and Analysts Assessment Survey.

MOST TRUSTED COMPANY based on the Corporate Governance Perception Index with the Score: 91.18 and MOST TRUSTED COMPANY based on Investors and Analysts Assessment Survey.

SERTIFIKASI [G4-15] CERTIFICATIONS

No	Year	Certification	Recipient	Institution	Validity Period
1	2013	ISO 9001:2008	Mitratel	United Register for System (URS)	2016
2	2013	ISO 9001:2008	Divisi Business Service	TUV Rheinland Cert GmbH	2016
3	2013	ISO 9001:2008	Telkom Akses	TUV Rheinland Cert GmbH	2016
4	2014	ISO 9001:2008	Telkom	SGS United Kingdom Ltd	2017
5	2014	ISO/IEC 27001:2013	Telkom	SGS United Kingdom Ltd	2017
6	2014	ISO/IEC 20000-1:2011	Telkom	SGS Hong Kong LLtd	2017
7	2015	ISO 22301:2012	Telkom	SGS International Certification Service Singapore Pte Ltd	2017
8	2015	ISO 9001:2008	Telkom Infra	URS International	2018
9	2015	ISO 9001:2008	Telkom Metra	TUV Rheinland	2018
10	2016	Tier III Data Center Certification for Constructed Facilities (TCCF) Sentul	Telkom Sigma	Uptime Institute	2017
11	2016	Tier III Data Center Certification for Constructed Facilities (TCCF) Serpong	Telkom Sigma	Uptime Institute	2017
12	2016	Tier III Data Center Certification	Telin	Uptime Institute	2018
13	2016	Tier IV Data Center Certification	Telin	Uptime Institute	2019
14	2016	ISO 20000 - 1:2011	Telin	PT SGS	2019
15	2016	ISO 9001 : 2015	Telkom Property	LLOYD Register	2019
16	2016	ISO 17025:2008	Laboratorium Pengujian (Divisi Digital Service)	Komite Akreditasi Nasional	2019
17	2016	ISO 17025:2008	Laboratorium Kalibrasi (Divisi Digital Service)	Komite Akreditasi Nasional	2019

**Smart
Enough**

IS Not

Enough

Disruptive

IS a

MUST

Alex J Sinaga • CEO Telkom Group

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LAPORAN DIREKTUR UTAMA

REPORT FROM THE PRESIDENT DIRECTOR



LAPORAN DIREKTUR UTAMA [G4-1]

REPORT FROM THE PRESIDENT DIRECTOR [G4-1]

Alex J. Sinaga
Direktur Utama/
President Director



SAMBUTAN DIREKSI [G4-1]

Para pemangku kepentingan yang terhormat,

Perkenalkan saya, mewakili jajaran Direksi menyampaikan puji syukur ke hadirat Tuhan Yang Maha Esa karena atas karunia-Nya PT Telkom Indonesia (Persero) Tbk berhasil melalui tahun 2016 dengan sangat baik.

Telkom telah menetapkan Visi perusahaan “*Be The King of Digital In The Region*”, yang mengandung arti bahwa sebagai *digital telco*, Telkom berkomitmen untuk memberikan layanan secara *end to end* dengan berbagai solusi digital yang berorientasi kepada *customer experience*. Telkom terus memperkuat *core business* yaitu *broadband connectivity services*, mengembangkan *digital mediation platform* dan *digital services*. Ketiga hal ini merupakan pilar utama pertumbuhan bisnis digital Telkom untuk meningkatkan daya saing dan *company value* menuju dan mempertahankan berada dalam *Top-10 digital telcos* di kawasan Asia Pasifik pada tahun 2020.

Dalam rangka menciptakan pertumbuhan yang berkelanjutan demi tercapainya Visi tersebut, pada tahun 2016 Perseroan menetapkan tiga program utama yang merupakan kelanjutan dari tahun sebelumnya, yang disertai dengan penajaman pada setiap programnya. Ketiga program tersebut adalah *Leading Mobile Digital Business*, *Drive Digital Home and Enterprise* serta *Smart International Business Growth*.

Untuk memperkokoh *leading position* Telkom di industri selular Indonesia, kami memiliki inisiatif untuk terus mengoptimalkan bisnis *mobile core* dan mengakselerasi bisnis mobile digital. Optimalisasi bisnis *mobile core* dilakukan melalui pengembangan jaringan *mobile broadband* untuk meningkatkan kapabilitas, *coverage*, kapasitas dan kualitas layanan. Sedangkan untuk akselerasi bisnis *mobile digital*, kami melakukan inovasi layanan digital, seperti *digital lifestyle*, *mobile payment*, *mobile advertising*, *M2M-IoT* dan *big data analytic*.

Telkom terus mendorong pertumbuhan bisnis digital untuk segmen *Home* dan *Enterprise* dengan fokus pada pengembangan layanan *broadband connectivity*, layanan konten digital dan solusi digital untuk *enterprise* dan UKM. Kami secara selektif mengembangkan layanan digital berbasis ekosistem seperti *e-commerce*, *e-payment*, *e-health*, dan *e-tourism* yang kami lakukan melalui sinergi dan kerjasama korporasi.

MESSAGE FROM THE BOARD OF DIRECTORS [G4-1]

Dear Stakeholders,

Allow me, on behalf of the Board of Directors, to offer gratitude to the God Almighty whereupon His grace PT Telkom Indonesia (Persero) Tbk managed to conclude the year 2016 with excellent results.

Telkom has set a corporate vision of “*Be The King of Digital In The Region*”, which means that as digital telco, Telkom is committed to providing an end to end services with a variety of digital solutions geared towards a better customer experience. Telkom continues to strengthen its core business which are broadband connectivity services, digital mediation platform development and digital services. These services are the main pillars of Telkom digital businesses growth to improve competitiveness and company value and maintain the position in the Top-10 digital telcos in the Asia Pacific region by 2020.

Telkom has set out three main strategic programs in 2016, along with its respective sub-programs, to establish a sustainable growth which would help achieve our strategic vision and to help us focus our resources. These programs are called Leading Mobile Digital Business, Drive Digital Home and Enterprise, and last but not least Smart International Business Growth

Telkom consistently optimize our core mobile business and accelerate mobile digital business to strengthen our leading position in Indonesia’s cellular industry. The optimization of the mobile core business is executed through mobile broadband network expansion with the goal of increasing capability, coverage, capacity, and quality of our service. The mobile digital business is accelerated using digital innovation such as digital lifestyle, mobile payment, mobile advertising, M2M - Internet of Things (IoT) and big data analytic.

Telkom continues to drive the growth of digital business for Home and Enterprise segments with focus on the development of broadband connectivity services, digital content services and digital solutions for corporations and Small and Medium Enterprises (SMEs). We selectively develop an ecosystem-based digital services such as e-commerce, e-payment, e-health, and e-tourism which is achieved through business-to-business (B2B) synergy and cooperation.

Untuk mendukung suksesnya kedua program utama tersebut di atas, Telkom terus memperkuat *Indonesia Digital Network (IDN)* yang merupakan infrastruktur kunci sekaligus fondasi bagi Telkom dalam menjalankan bisnis digital yang handal dan berkualitas tinggi. *IDN* terdiri dari *id-Ring* yaitu *broadband highway* berbasis *fiber optic* sebagai jaringan *backbone* dalam kota dan menghubungkan antar kota di nusantara dari Aceh hingga Papua, *id-Access* yang merupakan akses broadband ke pelanggan yang berbasis *fixed broadband* menggunakan *fiber optic* dan *mobile broadband 3G/4G*, serta *id-Convergence* yang merupakan fasilitas layanan IT Platform terintegrasi yang terdiri dari layanan *data center*, *mediation platform* termasuk di dalamnya *application & security* untuk mengembangkan layanan ekosistem digital.

Selanjutnya, secara selektif dan *prudent* serta mempertimbangkan *synergy value*, kami terus menjajaki peluang pengembangan bisnis melalui inisiatif inorganik baik domestik maupun global, mengingat teknologi dan bisnis digital semakin tidak mengenal batas-batas antar wilayah, dengan istilah *borderless*. Kami senantiasa membangun kompetensi digital yang berstandar internasional agar memiliki daya saing untuk menggarap pasar global yang lebih luas.

Strategi dan kerja keras yang kami lakukan sepanjang tahun 2016 memberikan hasil yang menggembirakan. Telkom mencatatkan perolehan nilai ekonomi sebesar Rp 116,3 triliun, atau tumbuh 13,5% dari Rp 102,5 triliun pada tahun sebelumnya.

Dalam hal kinerja operasional, Telkomsel tetap memimpin pasar selular Indonesia dengan jumlah pelanggan sebesar 173,9 juta, naik 13,9% dari tahun sebelumnya. Pelanggan *mobile broadband* mencapai 60 juta atau tumbuh 37,1%. Bertambahnya pelanggan dan penggunaan *mobile broadband* tersebut meningkatkan trafik data menjadi 958,7 *Petabytes* atau tumbuh 94,8%. Khusus untuk *mobile broadband 4G LTE*, layanannya telah menjangkau 169 kota dan kabupaten di seluruh Indonesia di akhir tahun 2016.

Pada awal tahun 2015 kami meluncurkan IndiHome, suatu layanan *triple play* berbasis *fiber optic* dengan paket layanan yang terdiri dari telepon rumah, internet berkecepatan tinggi dan *IPTV*. Pada akhir tahun 2016 jumlah pelanggan IndiHome telah mencapai 1,6 juta hanya dalam kurun waktu dua tahun setelah diluncurkan.

Kami terus memperkaya layanan konten guna memperkuat *customer experience* bagi pelanggan *mobile* maupun *fixed*. Untuk itu, kami telah meningkatkan kepemilikan di PT Melon Indonesia menjadi 100% dari

The success of the two main programs mentioned above depends largely on Telkom's sustainable efforts in strengthening Indonesian Digital Network (IDN), which is the key and fundamental infrastructure for Telkom in implementing a reliable and high quality digital business. IDN is composed of *id-Ring*, which is a broadband highway of inner-city fiber-optic backbone network and connects between cities in the archipelago from Aceh to Papua; *id-Access*, which is a broadband access to customers based on fiber-optic fixed broadband and 3G/4G mobile broadband; and *id-Convergence*, which is an integrated IT services platform facility consisting of data center services and mediation platform including application and security to develop and create a digital ecosystem services.

Furthermore, using a selective and prudent consideration and with regards to the synergy value, Telkom continues exploring business development opportunities through domestic and global inorganic initiatives, given the advances of technology and digital businesses which virtually turn countries borderless. We continue to build digital competence of international standard in order to have a competitive edge to work on a wider global market.

Our strategy and hard work during 2016 has helped us attain an exhilarating performance. Telkom recorded Rp 116,3 trillion in economic value, which grew 13.5% compared to Rp 102,5 trillion in the previous year.

Operationally, Telkomsel maintained its market leader position in Indonesian Cellular industry with 173.9 million customer base, a 13.9% increase against 2015. Telkomsel's mobile broadband subscriber leaped to 60 million, which was a 37.1% increase. This expansion in customer base has bolstered the traffic consumption to 958.7 Petabytes, a 94.8% YoY uplift. As for 4G LTE service, the service footprint has included 169 cities served throughout Indonesia by the end of 2016.

In early 2015 Telkom launched IndiHome, a triple play internet service with full fiber-optic backed network which delivers residential telephone service, high speed internet access, and IPTV product. This product's customer base reached 1.6 million by December 2016, which was quite remarkable considering it was launched only two years ago.

Telkom also maintains a relentless effort in enriching our digital content library to further enhance our customer experience in either mobile or fixed segment. One example of such enrichment attempt is Telkom's

sebelumnya 51%. PT Melon Indonesia memiliki lebih dari 5 juta katalog lagu digital, baik lokal maupun mancanegara. Selain itu, kami melakukan kerja sama dengan berbagai penyedia konten musik dan video *streaming* serta *games* untuk menambah daya tarik layanan *broadband*, baik *fixed* maupun *mobile*.

Pada segmen *Enterprise* berhasil mencatat *bandwidth in service* sebesar 2.524 Gbps atau sekitar 65% dari pangsa pasar *bandwidthenterprise* di Indonesia. Pencapaian tersebut tidak terlepas dari fokus kami dalam memberikan layanan solusi *ICT* yang terintegrasi, mulai dari *broadband connectivity* hingga berbagai managed services berupa *enterprise* dan *UKM/ICT Solution* bagi pelanggan korporat, lembaga-lembaga Pemerintah dan UKM.

Selama tahun 2016, Telkom mengeluarkan belanja modal (*capital expenditure*) sebesar Rp 29,2 triliun. Belanja modal ini terutama untuk memperkuat infrastruktur guna mengantisipasi meningkatnya kebutuhan layanan *broadband*, baik segmen *mobile* maupun *fixed* yang pertumbuhannya cukup pesat.

MENDUKUNG PERTUMBUHAN EKONOMI DIGITAL INDONESIA

Telkom secara berkelanjutan memperkuat infrastruktur yang menyeluruh untuk membangun masyarakat digital, sebagai landasan utama terbangunnya ekonomi digital Indonesia. Kedepan, dengan semakin meningkatnya ekonomi digital, maka kemampuan daya saing ekonomi nasional di kancah perekonomian global diharapkan akan semakin meningkat pula.

Keberhasilan kami merupakan wujud dari kepercayaan dan apresiasi pelanggan setia terhadap kesungguhan Perseroan dalam memenuhi harapan mereka akan layanan yang berkualitas dan terjangkau di seluruh pelosok negeri. Layanan yang berkualitas dan terjangkau ini dapat dinikmati berkat keberhasilan pembangunan infrastruktur yang dilakukan secara terencana, terukur dan tepat sasaran. Telkom mengambil inisiatif dan berperan aktif untuk memenuhi kebutuhan infrastruktur *ICT* dengan area operasional yang mencakup seluruh wilayah Indonesia. Kami meyakini, ketersediaan infrastruktur *ICT* akan memberikan manfaat dan kesempatan yang lebih baik kepada seluruh elemen masyarakat, termasuk manfaat ekonomi yang ditimbulkan.

Selain infrastruktur telekomunikasi berbasis digital, Telkom membangun beberapa ekosistem digital guna memberikan layanan lebih terintegrasi. Dalam kaitannya dengan ekonomi digital, Telkom memiliki beberapa platform, seperti *e-tourism* melalui ITX atau Indonesia *Tourism Exchange* yang dapat dimanfaatkan untuk

upgrading its ownership position in PT Melon Indonesia from 51% to 100%. PT Melon Indonesia currently has more than 5 million local and international digital song catalog. In addition, we form a cooperative agreement with various music and video streaming content providers as well as game developers to boost traction to our fixed and mobile broadband service.

Our Enterprise segment recorded a 2,524 Gbps bandwidth in service which represents 65% market share of Indonesian enterprise market bandwidth. This achievement was mainly due to our focus in providing integrated *ICT* solution, ranging from broadband connectivity to managed services in the form of enterprise or SME *ICT* solution for our corporate, government institution and SME customers.

In 2016, Telkom Group consumed Rp 29.2 trillion for our capital expenditure. This expense was absorbed mainly to strengthen our infrastructure to anticipate the rapidly growing and ever increasing demand for data services in the mobile or fixed segment

SUPPORTING INDONESIAN DIGITAL ECONOMY

Telkom sustainably conducts a comprehensive infrastructure reinforcement to help build a digital society, which serves as a groundwork for a digital economy in Indonesia. Going forward, with the digital economy rising to its prominence, we hope to increase Indonesia's economic competitiveness amidst the global market.

Our success was the embodiment of trust and appreciation from our customers to the company's persistence in fulfilling our users' expectation and thirst for a quality and affordable nationwide network. The network quality and reach can be provided thanks to the measurable, well-planned, and right-on-target infrastructure development. Telkom took the initiative and role to satisfy Indonesian *ICT* infrastructure needs by operating throughout Indonesia. We believe, the availability of a reliable *ICT* network will be beneficial and create a better opportunity for the society, including economic benefits.

In addition to digital telecommunication infrastructure, Telkom also build a digital ecosystem to provide an integrated service. In connection to the digital economy, Telkom deployed several platforms such as *e-tourism* through ITX (Indonesia Tourism Exchange) which would serve as booster for the tourism industry, indigo which

menumbuhkan industri pariwisata, *indigo* yaitu suatu inisiatif yang mendorong terbangunnya ekosistem industri kreatif dan Blanja.com yang merupakan *platform e-commerce* Telkom untuk menumbuhkan iklim usaha mikro. Melalui *Blanja.com*, para pelaku usaha terutama UKM memiliki akses pasar yang lebih luas dan cepat, serta mendapatkan berbagai kemudahan lainnya.

MENDUKUNG UPAYA PELESTARIAN LINGKUNGAN

Tahun 2016 merupakan awal penerapan konsep *Sustainable Development Goals* (SDGs). Rumusan tujuan pembangunan global yang terkait isu pelestarian lingkungan cukup spesifik, seperti mitigasi karbondioksida (CO₂) serta memelihara kehidupan di darat dan menjaga kehidupan di laut.

Sebagai pelaku usaha dengan cakupan operasi yang meliputi seluruh wilayah Indonesia, Telkom senantiasa memperhatikan aspek pelestarian lingkungan dan menunjukkan komitmen yang tinggi untuk turut serta berpartisipasi dalam menjaga dan melestarikan lingkungan.

Kami juga mengembangkan dan menyediakan produk dan layanan telekomunikasi berbasis digital dan broadband yang memungkinkan para pelanggan dan pelaku usaha dapat menjalankan aktivitasnya dengan lebih efisien dan mendukung kegiatan operasional yang lebih ramah lingkungan.

Sebagai bagian dari warga korporasi dunia yang peduli akan kelestarian lingkungan, kami mendukung dan aktif terlibat dalam berbagai program penghijauan lahan kritis maupun pembangunan taman kota yang dilengkapi dengan fasilitas wifi di beberapa daerah di Indonesia.

MENTUNJUNG TINGGI TATA KELOLA PERUSAHAAN BERKELANJUTAN

Perseroan menjunjung tinggi prinsip-prinsip tata kelola yang baik atau *good corporate governance* (GCG) dan meningkatkan kualitas implementasinya secara konsisten di seluruh tingkatan operasional perusahaan. Penerapan tata kelola yang baik dilakukan untuk menciptakan proses pengambilan keputusan yang adil dan akuntabel, sehingga mampu memenuhi harapan para pemangku kepentingan.

Kami memegang teguh lima prinsip-prinsip dasar *Good Corporate Governance* (GCG) diiringi komitmen untuk mengimplementasikannya di seluruh jajaran Perseroan. Sepanjang tahun 2016, Perseroan mendapatkan berbagai penghargaan berkualitas dari pihak-pihak independen sebagai pengakuan atas implementasi GCG di Telkom. Penghargaan ini, di antaranya dari *The Indonesian Institute for Corporate Governance* (IICG), Alpha Southeast Asia, dan Corporate Governance Asia.

is an initiative to establish the creative industry, and last but not least an e-commerce platform, called blanja.com, to help shape a healthy micro business environment. By using blanja.com, SMEs will gain immediate access to a wider market, among other conveniences.

SUPPORTING ENVIRONMENT PRESERVATION EFFORTS

The year 2016 marks the initiation of the Sustainable Development Goals (SDGs). The formulation of a global development with regards to environment preservation is done specifically, such as carbon dioxide (CO₂) mitigation and preservation of terrestrial organisms and safeguarding the sea ecosystem.

As a business entity with nation wide operational coverage, Telkom always puts special attention to environmental preservation and shows a high commitment toward participating in environment protection and preservation.

We also develop and provide digital and broadband telecommunication products and services which would enable costumers and businesses to conduct their activities efficiently with emphasis on environmentally friendly operational concepts.

As part of a global economic society that cares for the environment preservation, we support and actively engage in various reforestation programmes on critical areas and the construction of city gardens or parks equipped with WiFi facilities in several cities or regencies in Indonesia.

UPHOLDING SUSTAINABLE CORPORATE GOVERNANCE

The Company upholds good corporate governance (GCG) principles and improves the quality of their implementation consistently in every operational level of the Company. Good practice of governance is carried out to establish fair and accountable decision making process which meets stakeholders' expectation.

We uphold the five basic principles of good corporate governance along with the commitment to implement them in every rank in the Company. In 2016, the Company received various awards from independent parties as an acknowledgment for the GCG implementation in Telkom. Among these awards were from Indonesian Institute for Corporate Governance (IICG), Alpha Southeast Asia, and Corporate Governance Asia.

BUDAYA PERUSAHAAN

Budaya perusahaan mengacu kepada *The Telkom Way* sebagai sistem nilai dengan tiga unsur inti, yaitu *Philosophy to be the Best*, *Principles to be the Star*, dan *Practices to be the Winner*. *Philosophy to be the Best* adalah nilai-nilai untuk mendorong karyawan Telkom untuk menjadi insan terbaik, selanjutnya *Principles to be the Star* merupakan prinsip dasar 3S, yaitu *Solid*, *Speed*, dan *Smart*; yang mendorong insan Telkom memiliki keunggulan di tempat kerja. Selain itu, *Practices to be the Winner* adalah standar perilaku untuk menjadi insan pemenang. Internalisasi nilai-nilai *The Telkom Way* senantiasa diimplementasikan dalam berbagai kegiatan penguatan budaya Telkom maupun dalam aktivitas bekerja sehari-hari.

PENUTUP

Pada kesempatan ini mewakili jajaran Direksi, kami menyampaikan ucapan terima kasih dan penghargaan setinggi-tingginya atas dukungan seluruh pemegang saham, Dewan Komisaris, para mitra bisnis, serta para pemangku kepentingan, sehingga Telkom dapat mencapai kinerja yang sangat baik sepanjang tahun 2016.

Tidak lupa kami menyampaikan apresiasi yang tinggi kepada jajaran manajemen dan seluruh karyawan atas dedikasi dan kerja kerasnya dalam memastikan pencapaian kinerja yang luar biasa ini. Dalam langkah selanjutnya ke depan, kami mengajak seluruh jajaran manajemen dan karyawan untuk bekerja lebih keras guna mencapai kinerja yang lebih baik lagi.

Jakarta Maret 2017



Alex J. Sinaga
Direktur Utama
President Director

COMPANY CULTURE

The Company's culture refers to The Telkom Was as a value system with three fundamental element, namely Philosophy to be the Best, Principles to be the Star, and Practices to be the Winner. Philosophy to be the Best is values to encourage Telkom people to be the best individuals. Principles to be the Star represents 3S basic principles i.e. Solid, Speed, and Smart; that encourage Telkom people to excel at the workplace. Furthermore, Practices to be the Winner is a standard of behaviors to be winning individuals. Internalization of The Telkom Way values is always implemented in all Telkom cultural enforcement activities as well as in daily working activities.

CLOSING

In this opportunity, on behalf of the Board of Directors, we express our gratitude and highest appreciation for the support of all shareholders, Board of Commissioners, business partners, and all stakeholders which enables Telkom to achieve an excellent performance in 2016.

We also convey our appreciation to all management levels and employees for the dedication and hard work in securing this outstanding performance. In the future, we ask all management and employees to work harder to accomplish even better results.



TELKOM BERBAGI
Sharing Telkom

MENGUTAMAKAN
PENGALAMAN
PELANGGAN
Prioritizing Customer
Experience

MENGEMBANGKAN
INSAN TELKOM
BERWAWASAN DIGITAL
Developing Telkom Employees
With Digital
Based Knowledge

MEMENTINGKAN
KESELAMATAN DAN
KESEHATAN KERJA
Prioritizing Health and
Safety at Work

MENDUKUNG UPAYA
PELESTARIAN LINGKUNGAN
Supporting Environmental
Preservation

TATA KELOLA
KEBERLANJUTAN TELKOM
Telkom Sustainability
Governance



Dari kiri ke kanan From left to right:

Harry M. Zen (Director), Herdy R. Harman (Director),
Honesti Basyir (Director), Alex J. Sinaga (President Director),
Dian Rachmawan (Director), Indra Utoyo (Director),
Abdus Somad Arief (Director),





TENTANG LAPORAN INI

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TENTANG LAPORAN INI ABOUT THE REPORT



“

Laporan Keberlanjutan ini menjelaskan upaya yang kami lakukan untuk memenuhi harapan para pemangku kepentingan baik dari aspek ekonomi, sosial maupun lingkungan sesuai sumber daya yang dimiliki sebagai wujud komitmen Telkom terhadap pelaksanaan kegiatan usaha yang menjunjung tinggi tujuan keberlanjutan.”

“This Sustainability Report describes the efforts that we made to meet the expectations of stakeholders either from the economic, social and environmental aspects in accordance with available resources as Telkom’s commitment to the implementation of business activities that uphold the purpose of sustainability”.

Laporan Keberlanjutan PT Telkom Indonesia (Persero) Tbk (“Telkom” atau Perseroan atau kami) 2016 ini merupakan Laporan tahun ke-sebelas, sejak Laporan pertama kami terbitkan pada tahun 2006. Laporan yang dibuat setiap tahun ini meliputi periode dari 1 Januari hingga 31 Desember 2016. Laporan tahun sebelumnya diterbitkan pada bulan Juni 2016. Laporan ini merupakan pelengkap Laporan Tahunan 2016 Telkom, sebagaimana disyaratkan dalam Peraturan OJK No.29/POJK.04/2016 tentang “Laporan Tahunan emiten atau Perusahaan Publik” dan Surat Edaran OJK No.30/SEOJK.04/2016 tentang “Bentuk dan Isi Laporan Tahunan Emiten atau Perusahaan Publik”. [G4-28, G4-29, G4-30]

Laporan Keberlanjutan ini memberi gambaran mengenai upaya yang kami lakukan dan kinerja yang berhasil diraih Telkom dalam aspek ekonomi, sosial dan lingkungan sebagai wujud komitmen terhadap pelaksanaan kegiatan usaha yang menjunjung tinggi tujuan keberlanjutan, yakni memenuhi harapan para pemangku kepentingan sesuai sumber daya yang dimiliki.

Format Pelaporan dan Indeks Konten GRI-G4 [G4-32]

Kami menyusun laporan berdasarkan standar pelaporan Keberlanjutan versi 4 (“GRI-G4”) yang dikeluarkan oleh *Global Reporting Initiative* (“GRI”), dengan pilihan format GRI-G4 *Core*, dari dua opsi kesesuaian, *core* atau *comprehensive* yang tersedia.

Kami menyajikan indikator dengan warna merah pada setiap halaman yang relevan untuk memudahkan para pembaca menemukan indikator G4 *Core* yang diaplikasikan. Daftar indeks GRI-G4 *Core* yang diaplikasikan dalam Laporan ini disajikan pada halaman 201.

Laporan ini merupakan kelanjutan dari Laporan sejenis yang kami sajikan sebelumnya. Pada tahun pelaporan, kami semakin mengintensifkan penjualan layanan berbasis data terintegrasi dengan konsep “*Digitalized Society*”. Sekalipun produk layanan terintegrasi berbasis data tersebut memberi dampak keuangan, yakni terhadap hasil usaha yang dijalankan, namun tidak menyebabkan perubahan signifikan atas ruang lingkup dan *boundary* laporan dalam periode pelaporan. Pendalaman pasar tersebut juga tidak menyebabkan adanya penyajian ulang atas data kinerja keberlanjutan yang kami sampaikan di tahun sebelumnya. [G4-13, G4-22, G4-23].

This Sustainability Report of PT Telkom Indonesia (Persero) Tbk (“Telkom” or the Company or we) 2016 is the eleventh report since we published the first one in 2006. This report, that is annually made, covers the period from January 1 to December 31, 2016. Previous year’s report was published in June 2016. This report is complementary to the 2016 Telkom Annual Report, as required in the OJK Regulation No.29/POJK.04/2016 on the “Annual Report of Issuers or Public Companies”, and OJK Circular Letter No.30/SEOJK.04/2016 on “The Format and Content of the Annual Report of Issuers and Public Companies”. [G4-28, G4-29, G4-30]

This Sustainability Report presents an overview of our efforts and Telkom’s performance either in the economic, social and environmental aspects as a commitment to the implementation of business activities that uphold the purpose of sustainability, which is to meet the expectations of stakeholders in accordance with available resources.

Reporting Format and Content Index GRI-G4 [G4-32]

We drafted the report based on the fourth version of the standards for Sustainability reporting (“GRI-G4”) issued by the Global Reporting Initiative (“GRI”), by selecting Core GRI-G4 format, out of the two compatibility options, the available core or comprehensive format.

We present the indicator in red color on each relevant page for thereader’s convenience to find G4 Core applied indicators. The index list GRI-G4 Core applied in this report is presented in page 201

This report is a continuation of similar Reports which we presented in the past. In the reporting year, we intensified sales of data-based services integrated with the concept of “*Digitalized Society*”. Although the integrated data-based services resulted a financial impact, namely to the results of running operations, it did not cause significant changes to the scope and boundary of the reports in the reporting period. Market depth does not entail a repeated presentation as well as the sustainability performance data conveyed in the previous year. [G4-13, G4-22, G4-23].



Validasi dan Assurance Laporan [G4-33]

Kami menjunjung tinggi prinsip transparansi dan laporan yang berimbang, sehingga dalam Laporan ini kami uraikan berbagai tantangan, rintangan dan kinerja yang kurang baik selain berbagai keberhasilan dan pencapaian selama periode pelaporan. Kami menjamin validitas yang ditampilkan dalam Laporan melalui dua pendekatan, yakni pertama menggunakan data keuangan *audited* untuk kinerja keuangan dan kedua menggunakan data material pendukung yang disampaikan langsung oleh unit terkait, disertai pelaksanaan proses verifikasi internal bertahap, dilanjutkan dengan proses *assurance* terbatas terhadap beberapa indikator aspek material yang ditampilkan.

Kami menggunakan teknik pengukuran data finansial berdasarkan Pernyataan Standar Akuntansi Keuangan (PSAK) Indonesia. Sementara itu, untuk data keberlanjutan, kami menggunakan teknik pengukuran data yang berlaku secara internasional, seperti *gigajoule* untuk menghitung pemakaian energi, atau emisi ekuivalen untuk menyatakan emisi karbondioksida yang dimitigasikan dan sebagainya. Data kuantitatif dalam Laporan ini disajikan dengan menggunakan prinsip daya banding (*comparability*), minimal dalam dua tahun berturut-turut, sehingga pengguna Laporan dapat melakukan analisa tren.

Di samping itu, sesuai dengan Pedoman GRI G4, dalam menetapkan kualitas laporan, prinsip-prinsip yang digunakan meliputi seimbang (*balance*), akurat (*accuracy*), tepat waktu (*timeliness*), jelas (*clarity*), dan dapat diandalkan (*reliability*). Kami melakukan verifikasi dan tinjauan internal yang dilaksanakan dalam tiga tahap, yakni verifikasi draft awal, verifikasi *draft* kedua saat masuk ke proses desain dan verifikasi *draft* laporan final sebelum diterbitkan.

Dalam rangka menjamin validitas data yang ditampilkan, kami kembali menugaskan *assurer independent* untuk melaksanakan tugas *assurance* atas Laporan periode tahun 2016 ini, untuk memastikan bahwa informasi yang Kami sampaikan bebas dari kesalahan yang material.

Boundary Laporan [G4-17]

Telkom memiliki penyertaan mayoritas pada berbagai entitas anak usaha, yang memungkinkan kami menyediakan produk dan jasa di berbagai bidang, yakni: *telecommunications*, *information*, *media*, *edutainment* dan *services*, disingkat TIMES, maupun beberapa jasa pendukung lain.

Validation and Assurance of the Report [G4-33]

We uphold the principles of transparency and impartial reporting, therefore in this report we describe the challenges, obstacles and poor performances in addition to various successes and achievements during the reporting period. We guarantee the validity of what is in display in the Report by using two approaches, first by using audited financial data for the financial performance and second by using supporting material data directly delivered by related units, along with the gradual implementation of the internal verification process, followed by the assurance process that is limited to few display material aspect indicators.

We use financial data measurement techniques based on the Indonesian Statement of Financial Accounting Standard ("PSAK"). Meanwhile, for sustainability data, we use data measurement techniques that apply internationally, such as *gigajoule* to calculate the energy consumption, or the equivalent emissions to declare the mitigated carbon dioxide emissions and etc. The quantitative data in this report is presented by using the principle of comparability, for at least two years in a row, to enable the users of the report perform trend analysis.

In addition, in accordance with the GRI Guidelines G4, in determining the quality of the report, the principles that were used include balance, accuracy, timeliness, clarity, and reliability. We have conducted verification and internal reviews in three stages, namely verification of the initial draft, second draft once processed into design and verification of the draft final report before it is published.

To ensure the validity of the displayed data, we re-assign an independent assurer to carry out the task of assurance for the 2016 Report, to ensure that the information that we convey is free from material error.

Report Boundary [G4-17]

Telkom has a majority participations in various subsidiary entities, which allows us to provide products and services in various fields, namely: *telecommunications*, *information*, *media*, *edutainment* and *services*, which are abbreviated as TIMES, as well as several other support services.

Oleh karenanya, setiap akhir tahun, kami menyusun Laporan Keuangan Konsolidasian dengan entitas anak, sehingga Laporan Keberlanjutan ini mencakup kinerja keberlanjutan seluruh entitas anak dibidang ekonomi. Selain itu, juga mencakup kinerja seluruh entitas anak dibidang pengelolaan SDM dan sebagian kinerja lingkungan.

Namun kinerja dibidang pengembangan komunitas yang ditampilkan hanya mencakup kinerja dan kegiatan Telkom sebagai perusahaan induk, tidak termasuk data yang dikelola oleh masing-masing entitas anak.

Dampak Kerjasama Dengan Pemasok [G4-12, G4-LA14]

Kami juga menyajikan uraian singkat mengenai dampak pemasok utama terhadap citra Telkom, yang kami bagi kedalam 2 (dua) kelompok utama. Kelompok pemasok pertama, adalah kelompok pemasok barang atau jasa umum, yang kebijakan dan implementasinya dalam aspek ketenagakerjaan dan hak asasi manusia tidak berpengaruh langsung terhadap terhadap citra Perusahaan, seperti pengadaan barang dan jasa alat tulis, perabot kantor, suku cadang, serta pengadaan barang sejenis lainnya, yang tidak termasuk kedalam *boundary* laporan.

Kelompok pemasok kedua adalah pemasok barang dan jasa khusus, meliputi pemasok tenaga kerja dalam bidang: *security, sales and promotion, cleaning service, transportasi, instalatur dan pemeliharaan instalasi*, dimana kebijakan serta praktek ketenagakerjaan dan hak asasi manusia yang mereka lakukan berpengaruh langsung terhadap citra Telkom, yang termasuk ke dalam *boundary* laporan.

Kami menerapkan kontrak kerja dengan aturan yang ketat sesuai ketentuan perundangan, termasuk kepatuhan terhadap Peraturan dari Otoritas Jasa Keuangan terkait dengan tenaga kerja dan hak asasi manusia untuk meminimalisasi dampak negatif terhadap citra Perusahaan.

Telkom menerapkan program evaluasi kinerja pemasok baru maupun lama atas kepatuhannya terhadap peraturan perburuhan sesuai ketentuan pihak berwenang terkait. Beberapa kriteria di bidang perburuhan yang kami jadikan rujukan dalam evaluasi tersebut meliputi: pemenuhan batas usia minimal tenaga kerja, waktu kerja dan waktu lembur, pemenuhan hak cuti, pemenuhan UMR, dan sebagainya. Evaluasi dilakukan melalui sistem questioner yang dikirimkan ke masing-masing unit pemasok, dengan dukungan teknologi informasi yang kami kembangkan.

Therefore, at the end of each year, we draft our Consolidated Financial Statements with subsidiaries, allowing this Sustainability Report to cover sustainability performance of the entire subsidiaries in the economic field. Moreover, it also includes the performance of all subsidiaries in the field of human resources management and a part of environmental performance.

Nonetheless the displayed performance in the field of community development only includes the performance and activities of Telkom as the parent company, excluding the data managed by its respective subsidiaries.

The Impact of Collaboration with Suppliers [G4-12, G4-LA14]

We also present a brief description of the impact of the major suppliers to the image of Telkom, which we categorize into 2 (two) main groups. The first supplier group, is a group of suppliers of public goods or services, whose policies and implementation in the aspects of employment and human rights have no direct impact on the image of the Company, such as procurement of stationeries, office furniture, spare parts, as well as procurement of other similar goods, which are not included in the report boundary.

The second supplier group is suppliers of special goods and services, including labor suppliers in the areas of: *security, sales and promotion, cleaning service, transportation, installation fitter and maintenance*, whose employment and human rights policies and practices have a direct impact to the image of Telkom, which are included in the report boundary.

We implemented the contract with strict rules in accordance with legislation, including the compliance with the Regulation of the Financial Services Authority on employment and human rights to minimize negative impacts to the image of the Company.

Telkom implemented a program to evaluate the work performance of new and old suppliers for their compliance with employment regulations in accordance with the relevant authorities. Some of the criteria in the field of employment that we made as a reference in the evaluation include: fulfillment of the minimum age of employment, hours of work and overtime, fulfillment of leave rights, fulfillment of minimum wage, and etc. The evaluation was performed through a questionnaire system sent to each supplier unit, with the support of information technology that we developed.

Penetapan Konten Laporan [G4-18]

Kami melakukan proses penetapan isi Laporan dengan menerapkan 4 (empat) langkah yang disyaratkan oleh GRI G4, yaitu:

1. Mengidentifikasi aspek-aspek yang material dan *boundary* (langkah Identifikasi);
2. Membuat prioritas atas aspek-aspek yang telah diidentifikasi pada langkah sebelumnya (langkah Prioritas);
3. Melakukan validasi atas aspek-aspek material tersebut (langkah Validasi).
4. Melakukan *review* atas Laporan setelah diterbitkan guna meningkatkan kualitas Laporan tahun berikutnya (langkah *Review*).

Proses penetapan isi Laporan tersebut dilakukan dengan memperhatikan kesesuaian dengan prinsip yang disyaratkan oleh GRI G4, yakni:

1. *Stakeholders inclusiveness* (pelibatan pemangku kepentingan);
Melibatkan pemangku kepentingan dalam penentuan aspek material yang diungkapkan dalam Laporan ini.
2. *Materiality* (materialitas);
Diterapkan dengan melakukan identifikasi dan pemilihan konten laporan bersifat material yang berpengaruh signifikan terhadap operasional dan diperlukan sebagai bahan pengambilan keputusan oleh pemangku kepentingan;
3. *Sustainability context* (konteks keberlanjutan).
Mempertimbangkan aspek-aspek yang terkait dengan konteks keberlanjutan, yang relevan bagi pembuat maupun pembaca Laporan dalam membuat keputusan; dan
4. *Completeness* (kelengkapan)
Laporan kami buat dengan cakupan dan periode pelaporan tertentu yang jelas serta didukung data yang lengkap untuk setiap periode pelaporan.

Keempat langkah dalam menetapkan konten Laporan kami gambarkan dalam Bagan Alir Proses Penetapan Konten Laporan berikut

Determination of Report Content [G4-18]

We determined the content of the Report by implementing 4 (four) steps required by GRI G4, namely:

1. Identifying the material and boundary aspects (Identification step);
2. Making priorities of aspects that have been identified in the previous step (Priority step);
3. Validating material aspects (Validation step).
4. Conducting a review on the Report after it is published to improve the quality of the Report of the following year (Review step).

The process to determine the contents of the report was conducted by taking into account its compliance with the principles required by GRI G4, namely:

1. *Stakeholders inclusiveness*;
Involving stakeholders in determining the material aspects disclosed in this Report.
2. *Materiality*;
Implemented by identifying and selecting the material content of the report that significantly influences operational practices and is needed as decision-making material for stakeholders;
3. *Sustainability context*.
Considering aspects related to the context of sustainability, that are relevant to the maker and the reader of the report in making decisions; and
4. *Completeness*
We prepared the report with a clear scope and specific reporting period that was supported by complete data for each reporting period.

We described these four steps in determining the content of the report in the Determination Process of Content of the Report Flow Chart as follows.

Bagan Alur Proses penetapan konten laporan Report Content Determination Process Flow Chart



Dampak Signifikan Dan Penentuan Tingkat Materialitas [G4-18, G4-19, G4-20, G4-21]

Dalam menentukan topik-topik material yang akan dilaporkan, kami melakukan kajian dampak material dari operasional perusahaan melalui diskusi internal dengan mempertimbangkan ketentuan-ketentuan di bidang ketenagakerjaan, kewajiban terhadap pelanggan, pengelolaan sumber daya manusia, pengembangan komunitas dan berbagai bidang yang relevan dengan keberlanjutan.

Kami juga melibatkan pemangku kepentingan dengan menyelenggarakan survei materialitas terhadap beberapa aspek material yang relevan dengan kegiatan operasional Telkom secara berkala. Berbagai kelompok pemangku kepentingan dilibatkan dalam survei ini, meliputi pemerintah, pelanggan, serikat pekerja, supplier, komunitas dan lembaga sosial masyarakat (LSM). Disamping itu, kami juga memperhatikan tanggapan dan saran pemangku kepentingan atas Laporan Keberlanjutan tahun sebelumnya. Adapun gambaran hasil survei dan diskusi mengenai berbagai aspek material yang dibahas, disajikan dalam diagram berikut.

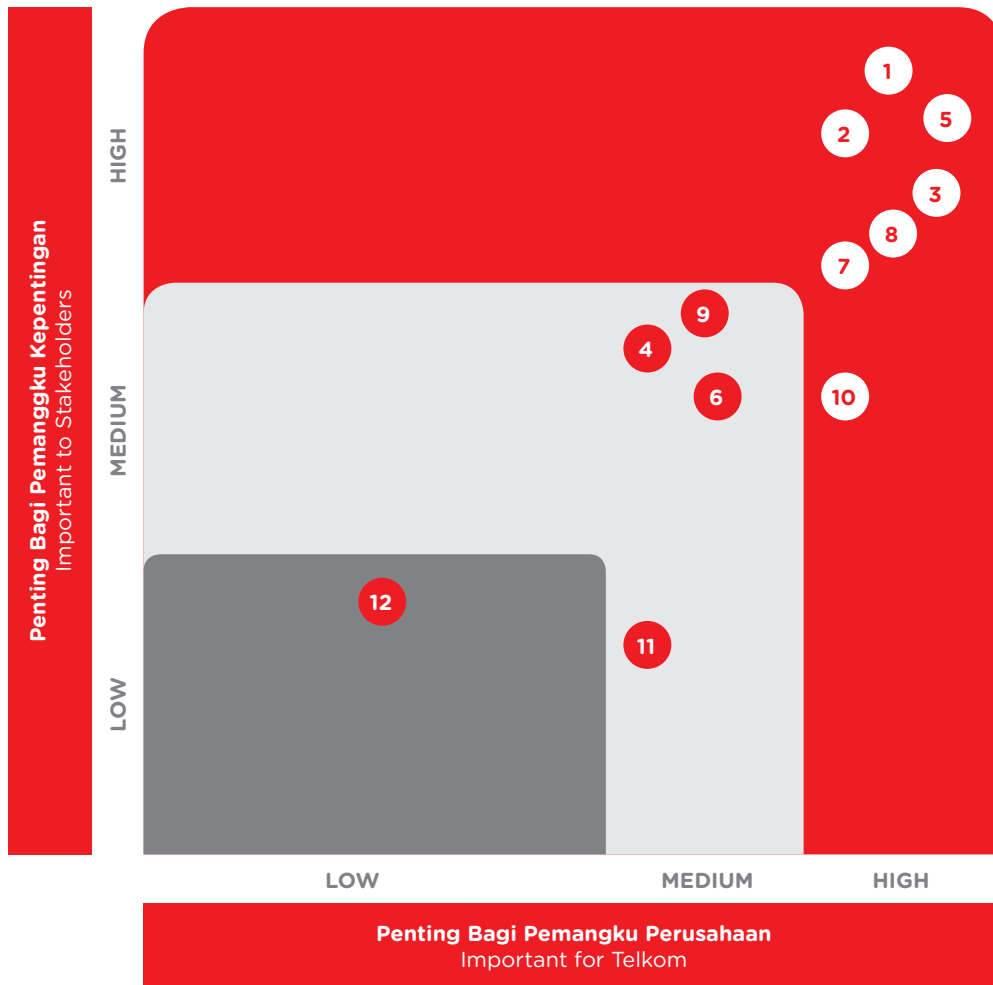
Significant Impact And Materiality Level Determination [G4-18, G4-19, G4-20, G4-21]

In determining the material topics to be included in the report, we conducted a study of material impact of the company's operations through internal discussions by considering the employment-related provisions, liabilities to customers, human resources management, community development as well as various areas relevant to sustainability.

We also engaged stakeholders by regularly conducted materiality surveys on some material aspects relevant with the operational activities of Telkom. Various stakeholder groups were involved in the survey, including the government, customers, unions, suppliers, communities and non-governmental organizations (NGOs). In addition, we also considered feedbacks and suggestions from the stakeholders on the previous year's Sustainability Report. The overview of the survey results and discussions on various material aspects in question, are presented in the following diagram.

Diagram Aspek Materialitas

Materiality Aspect Diagram



1. **Pemberdayaan Ekonomi Masyarakat**
Community's Economic Empowerment
2. **Community Development**
Community Development
3. **Penerimaan Keuangan Negara**
Contribution to State Revenue
4. **Persaingan Usaha**
Business Competitions
5. **Kualitas Layanan**
Quality of Services
6. **Hak Asasi Manusia**
Human Rights

7. **Kesejahteraan Karyawan**
Employee Welfare
8. **Pendidikan dan Pelatihan**
Education and Training
9. **Kesehatan dan keselamatan Kerja**
Occupational Health and Safety
10. **Efisiensi Energi**
Energy Efficiency
11. **Mitigasi Emisi Karbon**
Carbon CO₂ Emission Mitigation
12. **Pemasok/Mitra Kerja Berkelanjutan**
Sustainable Supplier/Business Partner

Berdasarkan uji material tersebut kami menetapkan berbagai aspek material menurut kelompok dan menetapkan indeks-indeks GRI spesifik yang relevan sebagai panduan dalam penyusunan laporan, sebagai berikut:

Based on the material test we defined various material aspects according to the group and assigned relevant specific GRI indexes as a guide in the preparation of the report, as follows:

Tabel Aspek Material dan Indikator GRI-4 Relevan Yang
Diterapkan [G4-19]Table of Material Aspects and Applied Relevant GRI-4
Indicators [G4-19]

Kategori Aspek Material/ Category of Material Aspect	GRI G4 Aspek Material/ Material Aspect GRI G4	Indikator GRI G4 Diterapkan/ Applied GRI G4 Indicator
Kategori Ekonomi/ <i>Economic Category</i>	Kinerja Ekonomi/ <i>Economic Performance</i>	G4-EC1, G4-EC2, G4-EC3
	Kehadiran Pasar/ <i>Market Presence</i>	G4-EC5
	Dampak Ekonomi Tak Langsung/ <i>Indirect Economic Impacts</i>	G4-EC7, G4-EC8
Kategori Lingkungan/ <i>Environmental Category</i>	Energi/ <i>Energy</i>	G4-EN6
	Emisi/ <i>Emission</i>	G4-EN19
Kategori Sosial/ <i>Social Category</i> - Ketenagakerjaan dan Kelayakan pekerjaan/ <i>Employment and Work feasibility</i>	Ketenagakerjaan/ <i>Employment</i>	G4-LA1, G4-LA2
	Kesehatan dan Keselamatan Kerja/ <i>Occupational Health and Safety</i>	G4-LA6, G4-LA8
	Pelatihan dan Pendidikan/ <i>Occupational Health and Safety</i>	G4-LA9, LA10, G4-LA11
	Keberagaman dan Persamaan Kesempatan/ <i>Diversity and Equal Opportunities</i>	G4-LA12
	Kesetaraan Remunerasi Pria dan Wanita/ <i>Equal Remuneration of Men and Women</i>	G4-LA3
	Asesmen praktek perburuhan pemasok/ <i>Assessment of supplier labor practices</i>	G4-LA14
	Praktek Pengamanan/ <i>Security Practises</i>	G4-HR7
Kategori Sosial/ <i>Social Category</i> - Hak Asasi Manusia/ <i>Human Rights</i>	Komunitas Lokal/ <i>Local Community</i>	G4-SO1
	Anti korupsi/ <i>Anti-corruption</i>	G4-SO4
	Anti Persaingan Usaha/ <i>Anti-competition</i>	G4-SO7
Kategori Sosial/ <i>Social Category</i> - Tanggung Jawab Produk/ <i>Product Liability</i>	Label Produk dan Jasa/ <i>Labels for Goods and Services</i>	G4-PR5
	Komunikasi Pemasaran/ <i>Marketing Com- munications</i>	G4-PR7
	Kepatuhan/ <i>Compliance</i>	G4-PR8

Berdasarkan batasan *boundary* seperti telah diuraikan sebelumnya dan penetapan aspek materialitas pada tabel tersebut diatas, kami merangkumkan kesimpulan kedua uraian tersebut kedalam Tabel Aspek Material dan Boundary Laporan Keberlanjutan Telkom untuk tahun 2016 sebagai berikut:

Based on the boundary limitations as described above and the determination of materiality aspects in the table above, we summarize the conclusions of both descriptions into the Table of Material Aspects and Boundary of the Sustainability Report of Telkom for 2016 as follows:

Tabel Aspek Material dan Boundary

Material Aspect and Boundary

Aspek Material/ <i>Material Aspect</i>		Boundary		
Ekonomi/Economy				
1	Kinerja ekonomi/ <i>Economic performance</i>	■	■	
2	Kehadiran Pasar/ <i>Market Presence</i>	■	■	
3	Dampak ekonomi tak langsung/ <i>Indirect Economic impact</i>	■		
Lingkungan/Environment				
1	Energi/ <i>Energy</i>	■		
2	Emisi/ <i>Emission</i>	■	■	
Sosial/Social - Ketenagakerjaan dan Kelayakan Pekerjaan/<i>Employment and Work Feasibility</i>				
1	Ketenagakerjaan/ <i>Employment</i>	■	■	
2	Kesehatan dan Keselamatan Kerja/ <i>Occupational Health and Safety</i>	■		
3	Pelatihan dan Pendidikan/ <i>Training and Education</i>	■	■	
4	Keberagaman dan Persamaan Kesempatan/ <i>Diversity and Equal Opportunities</i>	■	■	
5	Kesetaraan Remunerasi Pria dan Wanita/ <i>Equal Remuneration of Men and Women</i>	■	■	
6	Asesmen praktek perburuhan pemasok/ <i>Assessment of supplier labor practices</i>			■
Sosial/Social - Hak Asasi Manusia/<i>Human Rights</i>				
1	Praktek Pengamanan/ <i>Security Practices</i>	■	■	■
Sosial/Social - Masyarakat/<i>Society</i>				
1	Komunitas Lokal/ <i>Local Community</i>	■		
2	Praktek Anti Korupsi/ <i>Anti-Corruption Practices</i>	■	■	
3	Praktek Anti Persaingan Usaha/ <i>Anti-Competition Practices</i>	■	■	
Sosial/ Social - Tanggung Jawab Produk/<i>Product Liability</i>				
1	Label Produk dan Jasa/ <i>Labels for Goods and Services</i>	■	■	
2	Komunikasi Pemasaran/ <i>Marketing Communications</i>	■	■	
3	Kepatuhan/ <i>Compliance</i>	■	■	

Keterangan/Remarks

- Telkom
- Entitas Anak
Subsidiary Entities
- Diluar perusahaan/Pemasok
Outside the company/Suppliers

Aksesibilitas

Laporan Keberlanjutan ini kami cetak dalam jumlah yang terbatas, untuk mengurangi penebangan pohon sebagai bahan baku pembuatan kertas. Namun demikian, kami menjamin aksesibilitas kepada para pemangku kepentingan untuk mendapatkan Laporan Keberlanjutan 2016 dan tahun-tahun sebelumnya melalui proses unduh dari alamat website kami, www.telkom.co.id

Umpan Balik

Telkom berkomitmen penuh untuk meningkatkan kualitas Laporan Keberlanjutan ini, oleh karenanya, kami memberi kesempatan dan mengundang seluruh pembaca dan pemangku kepentingan untuk memberikan saran, ide, kritik serta pendapat ke alamat Kontak Person berikut, dengan melalui pengisian Lembar Umpan Balik, atau secara langsung.

Kontak Person [G4-31]

Apabila memerlukan informasi lebih lanjut atau pertanyaan-pertanyaantentang Laporan ini, silahkan menghubungi:

PT Telkom Indonesia (Persero) Tbk

Investor Relations

Graha Merah Putih Lantai 5

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Email : investor@telkom.co.id

BEI : TLKM

NYSE : TLK

Website : www.telkom.co.id

Accessibility

This Sustainability Report is printed in limited quantities, to reduce the logging of trees as raw material for papers. Nevertheless, we ensure stakeholders' access to obtain the Sustainability Report 2016 and reports from previous years by downloading from our website address, www.telkom.co.id.

Feedback

Telkom is fully committed to improve the quality of this Sustainability Report, therefore, we provide the opportunities and invite all readers and stakeholders to provide suggestions, ideas, criticisms as well as opinions to the following Contact Person, by filling out the Feedback Form, or directly.

Contact Person [G4-31]

If you need further information or have questions concerning this report, please contact:

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TENTANG TELKOM ABOUT TELKOM

“

Kami merupakan perusahaan telekomunikasi dan Teknologi informasi (ICT) yang bertekad menjadi motor penggerak perekonomian nasional dengan menyediakan layanan jasa telekomunikasi berbasis digital dan broadband ”

“We are a telecommunication and information technology company (ICT), which determine to be the motor of national economy by providing telecommunication based on digital and broadband services”

PROFIL SINGKAT A BRIEF PROFILE



Nama Perusahaan/Company Name

PT Telkom Indonesia (Persero) Tbk [G4-3]

Nama Panggilan/Abbreviated Name

PT Telkom Indonesia (Persero) Tbk

Nama Komersial/Commercial Name

Telkom

Alamat Kantor Pusat/Headquarter Address

Graha Merah Putih [G4-5]
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+62-22-7206757

Call Center:

147

Website:

www.telkom.co.id

Sektor Bidang Usaha/Line of Business

Telekomunikasi dan Layanan Jaringan/
Telecommunications and network services



Status/Dasar Hukum Pendirian: [G4-7]

Peraturan Pemerintah No.25 tahun 1991, status Perusahaan adalah Perseroan Terbatas milik negara ("Persero") berdasarkan Akta Notaris Imas Fatimah, S.H. No.128 tertanggal 24 September 1991.

Kepemilikan Saham: [G4-7]

- Negara Republik Indonesia 52,09%
- Publik 47,91%

Kode Saham :

- TLKM di BEI
- TLK di NYSE

Area Operasional: [G4-6]

Seluruh Wilayah Indonesia, melalui:

- Jaringan Kantor:
 - 1 Kantor Pusat
 - 7 Kantor Telkom Regional ("Telkom Regional")
 - 59 Wilayah Telekomunikasi
- Kantor Layanan, terdiri dari:
 - 566 Outlet Plaza Telkom
 - 7 GraPARI Luar Negeri
 - 416 GraPARI
(termasuk yang dikelola oleh pihak ketiga)
 - 487 *Mobile* GraPARI

Status/Legal Basis of Establishment [G4-7]

Based on the Government Regulation No.25 of 1991, the status of the Company is a state-owned limited liabilities company ("Persero"), which established pursuant to the Notarial Deed of Imas Fatimah, S.H. No.128 dated September 24, 1991.

Shares Ownership: [G4-7]

- The Government of the Republic of Indonesia 52.09%
- Public 47.91%

Stock Code:

- "TLKM" on the "IDX"
- "TLK" on the "NYSE"

Operational Area: [G4-6]

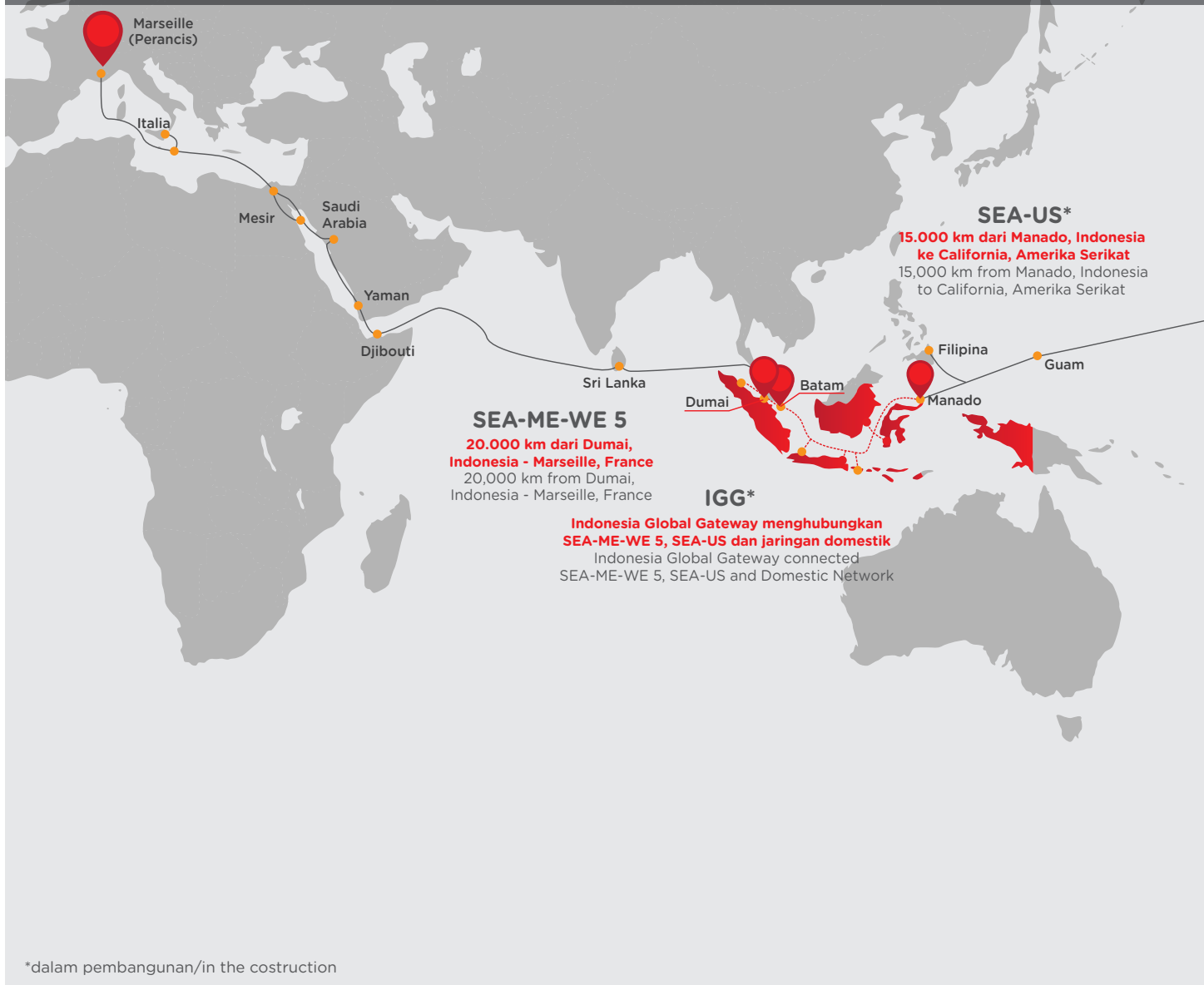
All Indonesia Region, through:

- Offices:
 - 1 Headquarter office
 - 7 Telkom Regional Offices ("Telkom Regional")
 - 59 Telecommunication Areas
- Service Centers, consist of:
 - 566 Outlets of Plaza Telkom
 - 7 overseas GraPARI
 - 416 GraPARI
(including those managed by third parties)
 - 487 GraPARI Mobile Units



INFRASTRUKTUR TELKOM

INVESTASI BERKELANJUTAN PADA INFRASTRUKTUR
MENJADI KUNCI MELAYANI PELANGGAN LEBIH BAIK LAGI



Untuk melayani pelanggan dengan lebih baik, sekaligus menumbuhkan bisnis digital, Telkom Group terus melakukan investasi pada infrastruktur yang meliputi jaringan akses, jaringan backbone hingga data center. Jaringan fiber optik yang terbentang antar pulau dan lintas benua menjadi pondasi pertumbuhan bisnis digital Telkom.

TELKOM INFRASTRUCTURE

SUSTAINABLE INVESTATION FOR INFRASTRUCTURE
TO THE KEY OF SERVING CUSTOMERS BETTER



In order to serve customers better as well as to grow digital business, Telkom Group continues to invest in digital infrastructure covering access network, backbone network to data center. Optic fiber network stretched between island and transcontinental become a foundation of Telkom's digital business growth.

VISI DAN MISI VISION DAN MISSION

Visi dan Misi tercantum dalam rencana jangka panjang perusahaan yang disetujui oleh Dewan Komisaris pada 26 September 2016.

The Vision dan Mission is stated in our long-term plans as approved by the Board of Commissioner on September 26, 2016.



VISI
Be the King of Digital
in the Region.

TELKOM BERBAGI
Sharing Telkom

MENGUTAMAKAN
PENGALAMAN
PELANGGAN
Prioritizing Customer
Experience

MENGEMBANGKAN
INSAN TELKOM
BERWAWASAN DIGITAL
Developing Telkom Employees
With Digital
Based Knowledge

MEMENTINGKAN
KESELAMATAN DAN
KESEHATAN KERJA
Prioritizing Health and
Safety at Work

MENDUKUNG UPAYA
PELESTARIAN LINGKUNGAN
Supporting Environmental
Preservation

TATA KELOLA
KEBERLANJUTAN TELKOM
Telkom Sustainability
Governance

MISI

Lead Indonesian Digital Innovation and
Globalization.



TATA NILAI - BUDAYA PERUSAHAAN [G4-56] CULTURAL VALUES [G4-56]



The Telkom Way

“The Telkom Way” merupakan budaya perusahaan atau nilai-nilai perusahaan yang dimiliki Telkom sejak tanggal 10 Juni 2013 yang ditetapkan oleh Direksi melalui surat Keputusan Direksi Perusahaan Perseroan (Persero) PT Telekomunikasi Indonesia Tbk, No.PD.201.00/r.00/HK250/COP-B0020000/2013 tentang Arsitektur Kepemimpinan dan Budaya Perusahaan. Selanjutnya pedoman implementasi Budaya Perusahaan di lingkungan Telkom Group ditetapkan dalam Peraturan Direktur Human Capital & General Affair Telkom No.PR.201.01/r.00/HK250/COP-B0400000/2013 tentang Budaya Perusahaan Telkom Group.

The Telkom Way

“The Telkom Way” has become Telkom’s corporate culture or corporate values since 10 June 2013 as stipulated by the Board of Directors under Decree of the Board of Directors of Limited Liability Company (Persero) PT Telekomunikasi Indonesia Tbk, No.PD.201.00/r.00/HK250/COP-B0020000/2013 on Leadership Architecture and Corporate Culture. Furthermore, guidelines for the implementation of the Corporate Culture within the Telkom Group environment are set out in the Regulation of the Director of Human Capital & General Affairs of Telkom No.PR.201.01/r.00/HK250/COP-B0400000/2013 on the Corporate Culture of Telkom Group.

Penetapan budaya perusahaan diatas mengacu pada Konsep pengelolaan Telkom Group yang didasarkan pada elemen 8S, yaitu *spirituality, style, shared values, strategy, staff, skill, system, dan structure*.

Secara lengkap Budaya Perusahaan diformulasikan sebagai berikut:

- *Philosophy to be the Best: Always The Best*
Always the Best adalah sebuah *basic belief* untuk selalu memberikan yang terbaik dalam setiap pekerjaan. *Always the Best* memiliki esensi "Ihsan" yang dalam pengertian ini diterjemahkan "terbaik". Setiap insan Telkom Group yang memiliki spirit Ihsan akan selalu memberikan hasil kerja yang lebih baik dari yang seharusnya, sehingga sikap ihsan secara otomatis akan dilandasi oleh hati yang ikhlas. Ketika setiap aktivitas yang di lakukan adalah bentuk dari ibadah kepada Tuhan Yang Maha Esa.
- *Philosophy to be the Best: Integrity, Enthusiasm, Totality Always the Best* menuntut setiap insan Telkom Group memiliki integritas (*integrity*), antusiasme (*enthusiasm*), dan totalitas (*totality*).
- *Principles to be the Star: Solid, Speed, Smart*
Principles to be the Star dari The Telkom Way adalah 3S yakni *Solid, Speed, Smart* yang sekaligus menjadi *core values* atau *great spirit*.
 - *Solid* - Seluruh insan Telkom Group harus memberikan yang terbaik (*Always the Best*) dan meningkatkan soliditas di antara seluruh insan Telkom Group sebagai satu *Great Team*.
 - *Speed* - Segenap insan Telkom Group harus bekerja cepat dalam setiap kesempatan untuk memenangkan persaingan. Karena yang cepat akan mengalahkan yang lambat.
 - *Smart* - Seluruh insan Telkom Group dituntut bekerja *smart*, yaitu memahami tujuan yang ingin dicapai, menentukan prioritas dan selalu mencari cara baru yang lebih baik untuk mencapai tujuan.
- *Practices to be the Winner: Imagine - Focus - Action*
Practices to be the Winner dari The Telkom Way adalah IFA yakni *Imagine, Focus, Action* sekaligus sebagai *Key Behaviors*.

STRUKTUR USAHA [G4-17]

Struktur kelompok usaha berdasarkan parenting system atau kategori bisnis disajikan dalam diagram berikut.

The stipulation of the corporate culture above refers to the concept of the management of Telkom Group, which is based on the 8S elements, namely spirituality, style, shared values, strategy, staff, skill, system, and structure.

The Corporate Culture is formulated in the following details:

- *Philosophy to be the Best: Always The Best*
Always the Best is a basic belief to always give the best in every job. *Always the Best* has the essence of "Ihsan" which in this sense is translated into "the best". Any individual of the Telkom Group who has the spirit of Ihsan will always give better work results than expected, that the attitude of ihsan will therefore automatically be guided by a sincere heart when any activity undertaken is a form of worship to the God Almighty.
- *Philosophy to be the Best: Integrity, Enthusiasm, Totality*
Always the Best philosophy urges every individual of the Telkom Group to have integrity, enthusiasm, and totality.
- *Principles to be the Star: Solid, Speed, Smart*
Principles to be the Star of The Telkom Way means 3S which stands for *Solid, Speed, Smart* which also becomes the core values or great spirit.
 - *Solid* - All individuals of the Telkom Group must provide the best (*Always the Best*) and increase solidarity among all individuals of the Telkom Group as one *Great Team*.
 - *Speed* - All individuals of the Telkom Group must work efficiently at every opportunity to win the competition because the fast ones will beat the slow ones.
 - *Smart* - All individuals of the Telkom Group are required to work smartly, that is to understand the goals to be achieved, to determine priorities and to always look for new better ways to achieve the goals.
- *Practices to be the Winner: Imagine - Focus - Action*
Practices to be the Winner of The Telkom Way means IFA which stands for *Imagine, Focus, Action* which is also the *Key Behaviors*.

BUSINESS STRUCTURE [G4-17]

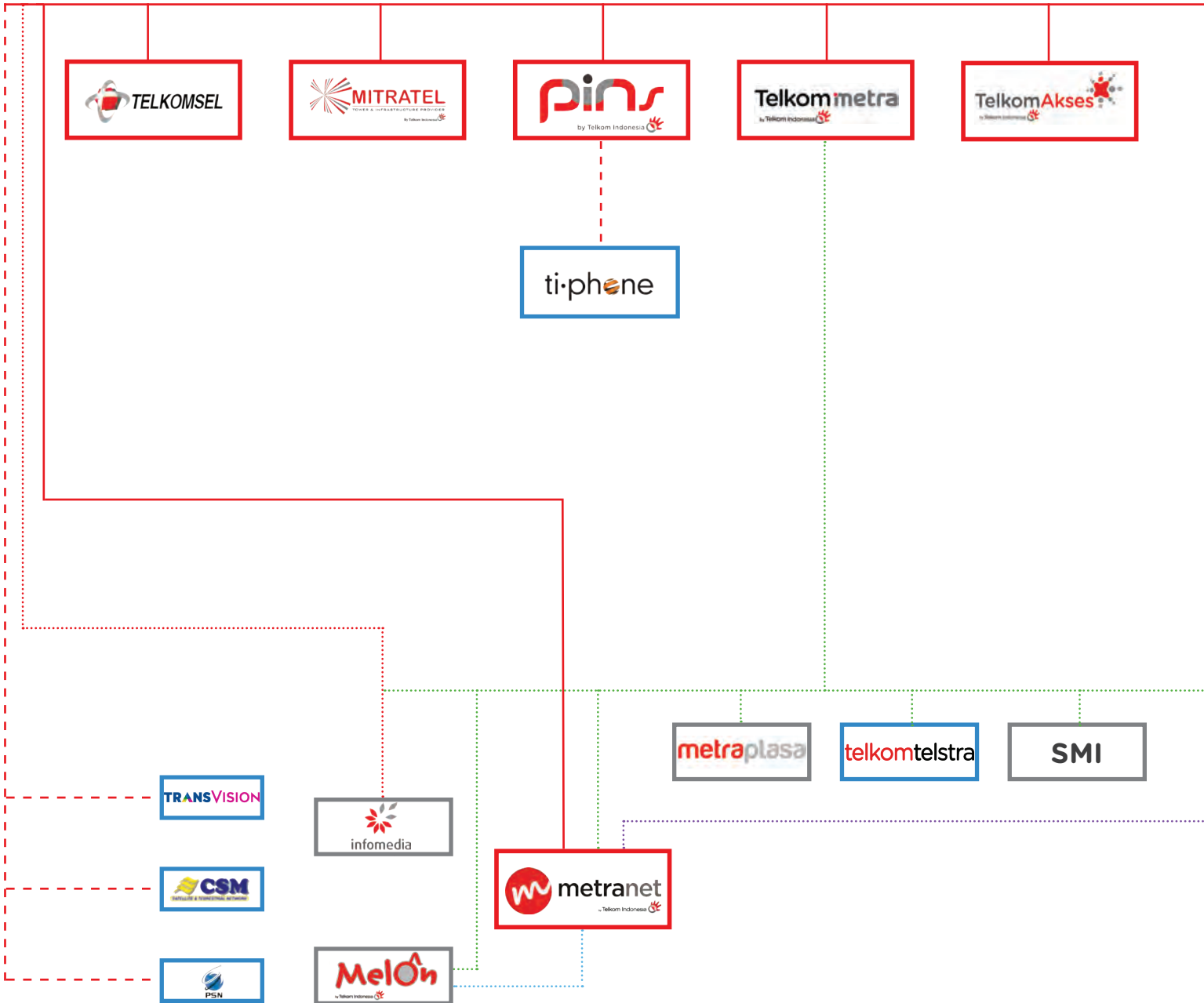
The structure of business group based on parenting system or business categories is presented in the following diagram.

ENTITAS ANAK, PERUSAHAAN ASOSIASI, PERUSAHAAN VENTURA BERSAMA TELKOM



Pemerintah
Government

52,09 %



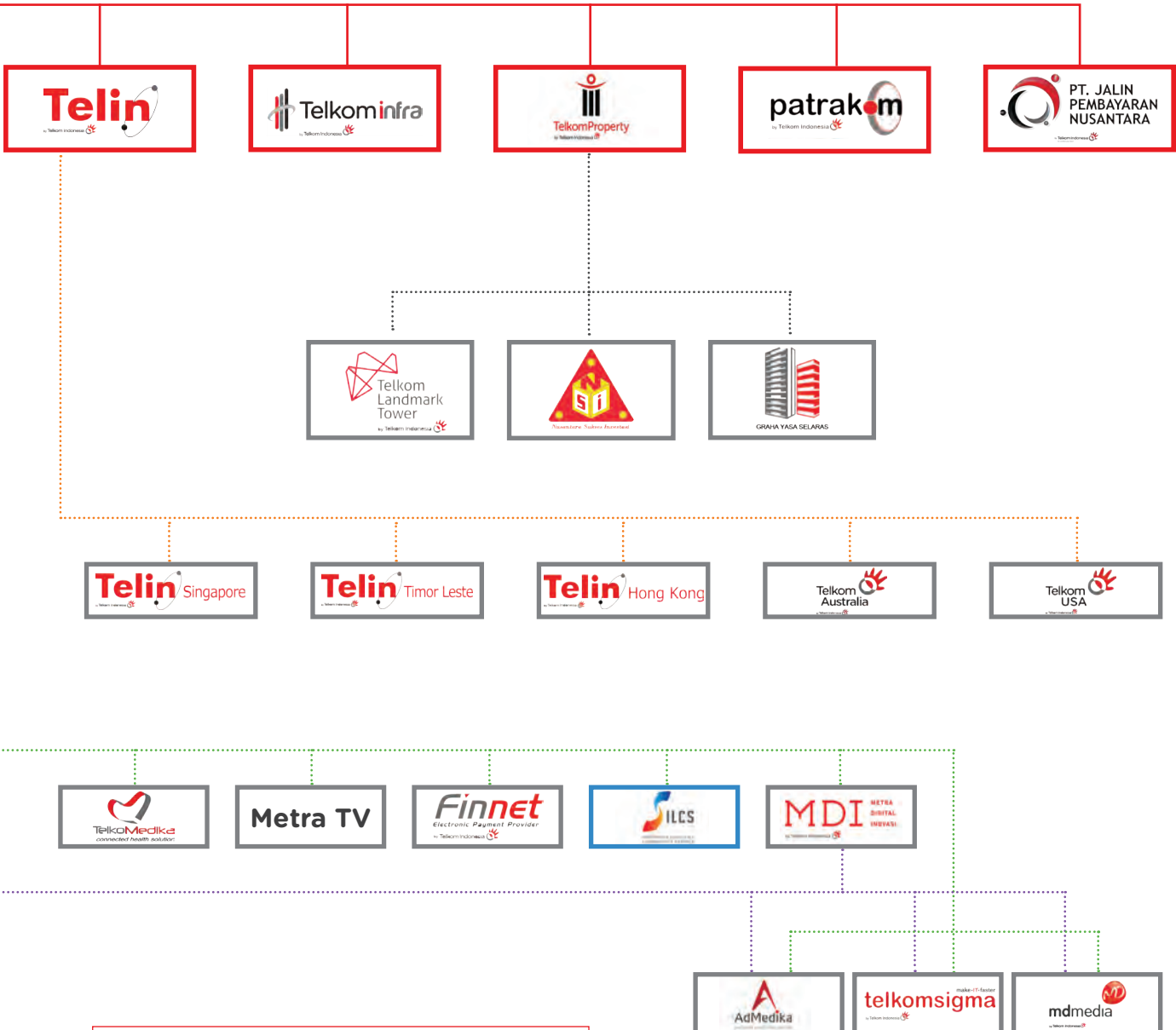
SUBSIDIARIES, ASSOCIATED COMPANIES, JOIN VENTURE COMPANY OF TELKOM

Publik
Public

47,91 %



Indonesia Stock Exchange
Bursa Efek Indonesia



Keterangan/Notes:

- Kepemilikan langsung (terkonsolidasi)
Consolidated subsidiaries
- Kepemilikan tidak langsung (terkonsolidasi)
Unconsolidated subsidiaries
- Tidak terkonsolidasi
Unconsolidated



PRODUK JASA DAN LAYANAN [G4-4]

Telkom mengelompokkan produk dan layanan menjadi enam kategori meliputi:

1. Mobile

Portofolio ini menawarkan produk *mobile voice*, SMS dan *value added service*, serta *mobile broadband*. Produk tersebut ditawarkan melalui entitas anak, Telkomsel, dengan merk Kartu Halo untuk pasca bayar dan *simPATI*, Kartu As dan Loop untuk pra bayar.

2. Fixed

Portofolio ini memberikan layanan *fixed service*, meliputi *fixed voice*, *fixed broadband*, termasuk Wi-Fi dan *emerging wireless technology* lainnya, dengan brand IndiHome.

3. Wholesale & International

Produk yang ditawarkan antara lain layanan interkoneksi, *network service*, *Wi-Fi*, VAS, *hubbing*, *data center* dan *content platform*, data dan internet, dan *solution*.

4. Network Infrastructure

Produk yang ditawarkan meliputi *network service*, satelit, infrastruktur dan tower.

5. Enterprise Digital

Terdiri dari layanan *information and communication technology platform service* dan *smart enabler platform service*.

6. Consumer Digital

Terdiri dari media dan *edutainment service*, seperti *e-commerce* (blanja.com), *video/TV* dan *mobile based digital service*. Selain itu, kami juga menawarkan *digital life service* seperti *digital life style* (Langit Musik dan VideoMax), *digital payment* seperti TCASH, *digital advertising and analytics* seperti bisnis *digital advertising* dan solusi *mobile banking* serta enterprise *digital service* yang menawarkan layanan *Internet of Things* (IoT).

PASAR DAN PANGSA PASAR [G4-8]

Pasar produk jasa telekomunikasi, konten data dan informasi meluas dari individu berpenghasilan rendah, menengah hingga atas dan tentunya korporasi baik dalam skala mikro hingga korporasi.

Jenis produk jasa yang digunakan pada konsumen perseorangan beragam, mulai dari hanya pada jasa telekomunikasi, hingga mencakup jasa telekomunikasi (telpon *fixed line* dan *mobile phone*), Konten Data/*entertainment* (TV berlangganan) dan Informasi (internet).

PRODUCTS AND SERVICES [G4-4]

Telkom has classified its service products and services into six categories, namely:

1. Mobile

This portfolio provided product portfolio comprises of mobile voice, SMS and value-added services, as well as mobile broadband. Such products were offered through our subsidiaries, Telkomsel, with brand name Kartu Halo for postpaid cellular service and *simPATI*, Kartu As and Loop for prepaid cellular service.

2. Fixed

This portfolio provided fixed service, consist of fixed voice, fixed broadband, including WI-FI and another emerging wireless technology with IndiHome brand.

3. Wholesale & International

Product offered were interconnection services, network service, Wi-Fi, VAS, hubbing, data center and content platform, data and internet, and solution.

4. Network Infrastructure

Products offered were network services, satellite, infrastructure and tower operations

5. Enterprise Digital

Consisted of information and communication technology platform services and smart enabler platform services.

6. Consumer Digital

Consisted of media and edutainment services, such as e-commerce (blanja.com), video/TV and mobile based digital service. Other than that, we also provided digital life service such as digital life style (*Langit Musik* and VideoMax), digital payment such as TCASH, digital advertising and analytics such as digital advertising business and mobile banking solution and enterprise digital service which provided Internet of Things (IoT) services.

MARKET AND MARKET SHARE [G4-8]

Telecommunication services product, information and data content market extends, ranging from low-income individuals, middle to upper class and of course enterprises, both micro-scale enterprises to corporations.

The type of services product used by individual customer is vary, from telecommunication services only, to which also includes telecommunication services (fixed line phone and mobile phone), Data Content/entertainment (subscription TV) and information (internet).

Pada pasar konsumen korporasi juga beragam, mulai hanya yang sesuai kebutuhan hingga meliputi seluruh layanan jasa telekomunikasi, informasi dan konten data hingga *structured* aplikasi berbasis teknologi informasi, yang biasa digunakan korporasi skala besar.

Pada 31 Desember 2016, Telkom memiliki 4,3 juta pelanggan *fixed broadband* dan 173.920 juta pelanggan selular.

SKALA PERUSAHAAN [G4-9]

	2016	2015	2014
Jumlah Karyawan (orang)/ <i>Total Employee (person)</i>	23.876	24.785	25.284
Jumlah Pendapatan (Rp miliar)/ <i>Total Revenue (Rp billion)</i>	116,333	102,470	89,696
<i>Total Kapitalisasi/Total Capitalization:</i>			
• Jumlah Liabilitas (Rp miliar)/ <i>Total Liabilities (Rp billion)</i>	74,014	72,745	54,770
• Jumlah Ekuitas (Rp miliar)/ <i>Total Equity (Rp billion)</i>	105,544	75,130	67,721
• Jumlah Aset (Rp miliar)/ <i>Total Asset (Rp billion)</i>	179,558	166,173	141,822

RANTAI PASOKAN [G4-12]

Definisi *supply chain* yang kami maksudkan adalah rangkaian kegiatan para pemasok, baik secara langsung maupun tidak langsung, dalam memberi dukungan berupa penyediaan barang maupun jasa secara rutin untuk digunakan Telkom dalam memberikan produk jasa dan layanan kepada para pelanggannya. Untuk memudahkan penggambaran rantai pasokan, seluruh perusahaan tersebut kami kelompokkan kedalam tiga kelompok utama: pemasok *software & hardware* yang langsung berkaitan dengan bidang usaha; pemasok infrastruktur pendukung; dan yang terakhir, pemasok kebutuhan kegiatan administrasi.

Perusahaan di kelompok Telkom Group juga kami bagi kedalam empat kelompok utama, sesuai dengan kelompok produk/jasa yang disediakan kepada para pelanggan. Demikian pula dengan pelanggan, yang kami bagi kedalam empat kelompok utama, sesuai pembagian pada catatan "Segmen Operasi" pada laporan Keuangan Konsolidasi PT Telkom Indonesia (Persero) Tbk. Sehingga gambaran rantai pasokan Telkom adalah sebagai berikut.

Corporate customer market varied, ranging from the ones as required, to include all telecommunication services, information and data content, up to structured applications with information technology basis, which is commonly used by large-scale corporations.

By December 31, 2016, Telkom had 4.3 million fixed broadband customers and 173,920 million cellular customers.

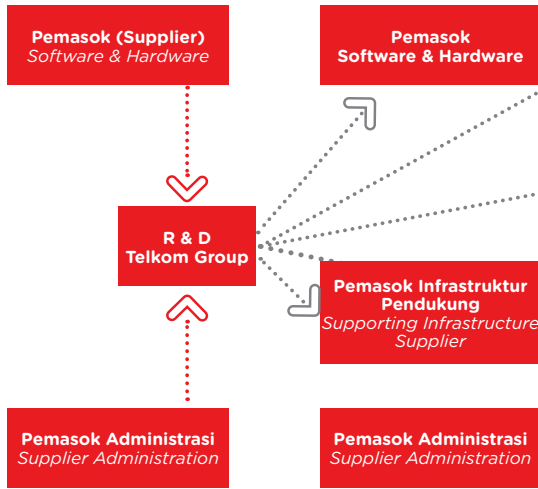
SCALE OF COMPANY [G4-9]

SUPPLY CHAIN [G4-12]

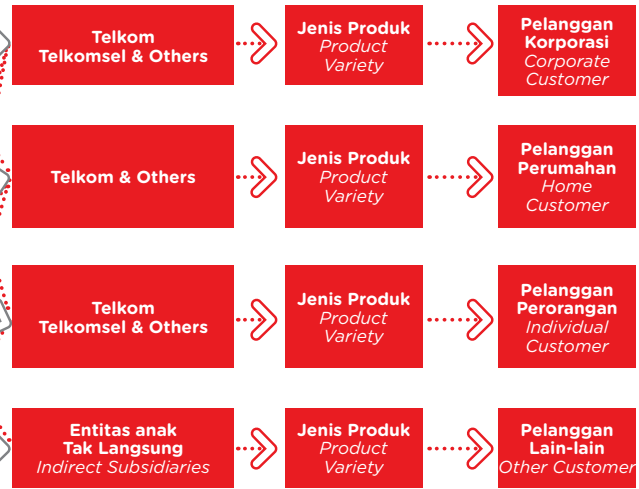
The definition of supply chain is a series of activities of the supplier, both directly and indirectly, in providing support in the form of supplying goods and services in regular basis to be used by Telkom in providing service products and services to its customers. To simplify the visualization of the supply chain diagram, we classified all of these companies into three main groups: the supplier of software and hardware, which directly related to the line of business; the supplier of supportive infrastructure; and lastly, the supplier of administrative work necessities.

We also classified the companies of Telkom Group into four main groups, according to the type of products/services provided to customers. Similar with the aforementioned, we also classified the customers into four main groups, in accordance with the note "Segment of Operations" stated in Consolidated Financial Statement of PT. Telkom Indonesia (Persero) Tbk., and therefore, the supply chain diagram of Telkom is as follows:

Bagan Rantai Pasok Telkom Group



Supply Chain Chart of Telkom Group



Keterangan> **Garis rekomendasi**
Line of recommendation

Description> **Garis hubungan bisnis**
Line of business relations

KOMITMEN TERHADAP INISIATIF EKSTERNAL

Penerapan Sistem Manajemen Sesuai Standar Internasional [G4-15]

Berbagai standar operasional tersertifikasi maupun non-sertifikasi yang kami terapkan meliputi:

- ISO 9001:2008
 - Sistem Manajemen Mutu
- ISO/IEC 27001:2005
 - Sistem Manajemen Keamanan Informasi
- SMK 3
 - Sistem Manajemen Kesehatan dan Keselamatan Kerja

Berbagai unit/entitas anak Telkom telah menerapkan sistem manajemen tersertifikasi yang relevan.

Keanggotaan dalam Asosiasi Industri dan Organisasi Lainnya [G4-16]

Di level nasional, kami menjadi anggota pada asosiasi:

1. Masyarakat Telematika Indonesia (“MASTEL”);
2. Asosiasi Satelit Indonesia (“ASSI”);
3. Asosiasi Kliring Interkoneksi Telekomunikasi (“ASKITEL”); dan
4. *Corporate Forum for Community Development* (“CFCD”).

Pada lingkup internasional, Telkom menjadi anggota asosiasi:

1. *Asia Pacific Network Information Centre* (“APNIC”)
2. Organisasi nirlaba yang bertujuan untuk menjaga stabilitas dan keandalan sumber daya internet di kawasan Asia Pasifik;

COMMITMENT TO EXTERNAL INITIATIVE

Application of Management System According to International Standards [G4-15]

We applied several operational standards, certified and non-certified, which includes:

- ISO 9001:2008
 - Quality Management System
- ISO/IEC 27001:2005
 - Information Security Management System
- SMK 3
 - Occupational Health and Safety Management System

Some units/subsidiaries of Telkom have implemented the relevant certified management systems.

Membership on Associations of Industry and Other Organizations [G4-16]

On national level, Telkom is a member in the following associations:

1. The Indonesian Infocom Society (*Masyarakat Telematika Indonesia* (“MASTEL”));
2. The Indonesian Satellite Association (Asosiasi Satelit Indonesia (“ASSI”))
3. Telecommunication Interconnection Clearing Association (Asosiasi Kliring Interkoneksi Telekomunikasi (“ASKITEL”)) and
4. *Corporate Forum for Community Development* (“CFCD”).

On international level, Telkom is a member in the following associations:

1. *Asia Pacific Network Information Centre* (“APNIC”);
2. A non-profit organization that aims to maintain the stability and reliability of internet resources in Asia Pacific region;

3. ITU *Telecommunication Development Sector* (“ITU-D”);
4. Sebuah organisasi yang bertanggung jawab dalam pembuatan kebijakan dan penyediaan program pelatihan serta strategi pendanaan untuk negara-negara berkembang di bidang telekomunikasi;
5. ITU *Telecommunication Standardization Sector* (“ITU-T”); dan
6. Sebuah organisasi yang bertanggung jawab dalam pembuatan standar-standar telekomunikasi.

PENDEKATAN DALAM PRINSIP PENCEGAHAN [G4-14]

Sesuai Visi Perusahaan dalam pengelolaan risiko sejak tahun 2008 kami telah membangun dan mengembangkan:

- Aspek Struktural Manajemen Risiko, meliputi pengembangan visi manajemen risiko, misi, komitmen, *tone at the top*, lingkungan internal yang kondusif, kebijakan, pengembangan kompetensi, IT *tools* dan kesisteman.
- Aspek Operasional Manajemen Risiko, meliputi penentuan *risk acceptance criteria*, pelaksanaan risk assessment dan pengembangan manajemen risiko untuk fungsi spesifik.
- Aspek Perawatan Manajemen Risiko meliputi monitoring implementasi manajemen risiko, pelaporan berkala (*risk reporting*), menjaga pengembangan kompetensi yang berkelanjutan, termasuk *review* pelaksanaan manajemen risiko secara terintegrasi di seluruh entitas anak usaha Telkom.

Kami juga melakukan berbagai upaya antara lain:

1. Membangun dan mengembangkan aspek struktural, operasional dan perawatan atas implementasi manajemen risiko di seluruh entitas anak.
2. Peningkatan kualitas pengambilan keputusan berbasis risiko (*six - eyes - principle*).
3. Pengembangan manajemen kelangsungan usaha (*Business Continuity Management*) dan *Crisis Management*.
4. Pengembangan *Revenue Assurance* untuk proteksi kebocoran dan program anti *fraud*/anti kecurangan.
5. Pengembangan *Enterprise Security Governance* untuk melindungi aset fisik dan non fisik (misalnya *Information System Security* dengan mengembangkan ISO 27000).
6. Pengembangan Program Pengendalian Internal.
7. Pengembangan *Regulatory Management*.

(Untuk lebih detail, lihat juga uraian “Pengelolaan Risiko - pada Bab “Tata Kelola Keberlanjutan Telkom”).

3. ITU *Telecommunication Development Sector* (“ITU-D”);
4. An organization that is responsible for policy-making and the provision of training programs and funding strategies for developing countries in the field of telecommunications;
5. ITU *Telecommunication Standardization Sector* (“ITU-T”); and
6. An organization that is responsible for the manufacture of telecommunication standards.

APPROACH IN PREVENTIVE PRINCIPLES [G4-14]

In accordance with the Company’s Vision on risk management, since 2008, we have created and developed:

- Risk Management Structural Aspects, including the development of risk management vision, mission, commitments, tone at the top, conducive internal environment, policies, development of competence, IT tools and system.
- Risk Management Operational Aspects, including the definition of risk acceptance criteria, the implementation of risk assessment and the development of risk management for specific functions.
- Risk Management Maintenance Aspects, including monitoring the implementation of risk management, periodic reports (*risk reporting*), maintaining the sustainable development of competence, comprising the review of risk management implementation which is integrated throughout all Telkom’s subsidiaries.

We have also performed various efforts, among others:

1. The establishment and development of structural, operational and maintenance aspects on the implementation of risk management throughout its subsidiaries.
2. The improvement of the quality of risk-based decision-making (*six - eyes - principle*).
3. The development of Business Continuity Management and Crisis Management.
4. The development of Revenue Assurance for leakage protection and anti-fraud program.
5. The development of Enterprise Security Governance to protect assets, both physical and non-physical (e.g.: *Information System Security* by developing ISO 27000).
6. Development of Internal Control Program.
7. Development of Regulatory Management.

(For more detail, please also refer to the description of “Risk Management” - in Chapter “Telkom’s Sustainable Governance”).





PARADIGMA BARU PEMBANGUNAN BERKELANJUTAN

NEW PARADIGM OF SUSTAINABLE DEVELOPMENTS

- 65 Sasaran Pembangunan Berkelanjutan**
Sustainable Development Goals
- 67 Pengelolaan Hubungan Dengan Pemangku Kepentingan**
Managing the Relationship with Stakeholders

PARADIGMA BARU PEMBANGUNAN KEBERLANJUTAN NEW PARADIGM OF SUSTAINABLE DEVELOPMENTS



“

Kami mendukung pencapaian tujuan pembangunan sebagaimana tercantum pada rumusan “*Sustainable Development Goals*” dengan mengembangkan perusahaan yang berkualitas dan berkelanjutan, untuk memenuhi harapan para pemangku kepentingan.”

“We support the achievement of global scale development goals as contained in the “*Sustainable Development Goals*” by conducting maximum efforts to fulfill the hopes of stakeholders, as a strategy to build a high quality and sustainable company.”

SASARAN PEMBANGUNAN BERKELANJUTAN

Mulai awal tahun 2016, hampir seluruh negara yang bergabung dalam Perserikatan Bangsa-Bangsa telah menyepakati pemberlakuan konsep pembangunan berkelanjutan *Sustainable Development Goals* (“SDGs”). SDGs dibahas dan disepakati oleh hampir seluruh negara-negara anggota PBB dan terdiri atas 17 rumusan tujuan pembangunan berkelanjutan skala global yang akan diterapkan dalam kurun waktu 2016-2030, sebagai berikut:

1. Tanpa Kemiskinan

Mengakhiri kemiskinan dalam bentuk apapun di seluruh penjuru dunia.

2. Tanpa Kelaparan

Mengakhiri kelaparan, mencapai ketahanan pangan dan peningkatan gizi, dan mempromosikan pertanian berkelanjutan.

3. Kesehatan yang Baik dan Kesejahteraan

Menjamin kehidupan yang sehat dan mempromosikan kesejahteraan untuk seluruh masyarakat di segala usia.

4. Pendidikan Berkualitas

Menjamin kualitas pendidikan inklusif dan adil dan mempromosikan kesempatan belajar seumur hidup untuk semua orang.

5. Kesetaraan Gender

Mencapai kesetaraan gender dan memberdayakan kaum ibu dan anak perempuan.

6. Air Bersih dan Sanitasi

Menjamin ketersediaan air bersih dan sanitasi yang berkelanjutan untuk semua orang.

7. Energi Bersih dan Terjangkau

Menjamin akses terhadap sumber energi yang terjangkau, terpercaya, berkelanjutan, dan modern untuk semua orang.

8. Pertumbuhan Ekonomi dan Pekerjaan yang Layak

Mendukung pertumbuhan ekonomi yang berkelanjutan dan inklusif, membuka kesempatan kerja seluas-luasnya, produktif serta menciptakan pekerjaan yang layak untuk semua.

SUSTAINABLE DEVELOPMENT GOALS

Since early 2016, almost all United Nations member states have agreed to the implementation of Sustainable Development Goals (“SDGs”) concept. The SDGs have been negotiated and agreed by almost all UN member states, and consist of 17 global scale sustainable development goals to be implemented in 2016-2030, as follows:

1. No Poverty

End poverty in all of its forms in all parts of the world.

2. Zero Hunger

End hunger, achieve food security and improve nutrition and promote sustainable agriculture.

3. Good Health and Well-being

Ensure healthy lives and promote well-being for all at all ages.

4. Quality Education

Ensure inclusive and equitable education and promote lifelong learning opportunities for all.

5. Gender Equality

Achieve gender equality and empower all women and girls.

6. Clean Water and Sanitation

Ensure availability and sustainable management of water and sanitation for all.

7. Affordable and Clean Energy

Ensure access to affordable, reliable, sustainable and modern energy for all.

8. Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.



9. Industri, Inovasi dan Infrastruktur

Membangun infrastruktur tangguh, mempromosikan industrialisasi inklusif dan berkelanjutan dan mendorong inovasi.

10. Mengurangi Kesenjangan

Mengurangi kesenjangan di dalam sebuah negara maupun diantara negara-negara di dunia.

11. Keberlanjutan Kota dan Komunitas

Membangun kota-kota dan pemukiman yang inklusif, aman, berkualitas, berketahanan dan berkelanjutan.

12. Konsumsi dan Produksi Bertanggung Jawab

Menjamin keberlangsungan konsumsi dan pola produksi.

13. Aksi Terhadap Iklim

Bertindak cepat untuk memerangi perubahan iklim dan dampaknya.

14. Kehidupan Bawah Laut

Melestarikan dan menjaga keberlangsungan laut dan kehidupan sumber daya laut untuk pengembangan pembangunan yang berkelanjutan.

15. Kehidupan di Darat

Melindungi, memulihkan dan meningkatkan pemanfaatan keberlangsungan pemukiman ekosistem darat, mengelola hutan secara berkelanjutan, mengurangi tanah tandus serta tukar guling tanah, memerangi penggundulan hutan, menghentikan dan memulihkan degradasi lahan, serta menghentikan hilangnya keanekaragaman hayati.

16. Institusi Peradilan yang Kuat dan Perdamaian

Mempromosikan masyarakat yang damai dan inklusif untuk pembangunan berkelanjutan, menyediakan akses terhadap keadilan bagi semua pihak termasuk untuk lembaga, membangun institusi yang efektif, akuntabel dan inklusif di semua tingkatan.

17. Kemitraan untuk Mencapai Tujuan

Memperkuat implementasi dan merevitalisasi kemitraan global untuk pembangunan berkelanjutan.

Indonesia telah mengambil sikap tegas untuk mendukung dan mengimplementasikan berbagai program yang dapat dilakukan dalam rangka mencapai tujuan pembangunan berkelanjutan sesuai dengan kondisi yang dihadapi dan kemampuan yang tersedia.

9. Industry, Innovation and Infrastructure

Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation.

10. Reduce Inequalities

Reduce inequality within and among countries.

11. Sustainable Cities and Communities

Create inclusive, safe, resilient and sustainable cities and human settlement.

12. Responsible Consumption and Production

Ensure sustainable consumption and production patterns.

13. Climate Action

Take urgent action to combat climate change and its impacts.

14. Life Below Water

Conserve and sustainably use the oceans, seas and marine resources for sustainable development.

15. Life on Land

Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and land swap, fight deforestation halt and reverse land degradation and halt biodiversity loss.

16. Peace, Justice and Strong Institutions

Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

17. Partnerships for the Goals

Strengthen the means of implementation and revitalize the global partnership for sustainable development.

Indonesia has taken a firm stance to support and implement various programs that can be conducted to achieve sustainable development goals in line with the conditions encountered and available resources.

Telkom sebagai salah satu BUMN terkemuka di Indonesia, memandang kegiatan usaha yang dijalankan juga dapat mendukung pencapaian berbagai tujuan pembangunan berkelanjutan sebagaimana dirumuskan dalam SDGs. Produk jasa/layanan Telkom merupakan salah satu kebutuhan utama seluruh lapisan masyarakat dan operasional yang menjangkau seluruh wilayah Indonesia, dari perkotaan hingga pedesaan.

Keberhasilan pencapaian tujuan pembangunan berkelanjutan tersebut, kami pandang justru akan mendukung pertumbuhan usaha Telkom di masa mendatang. Oleh karena itu, kami bertekad untuk mendukung pencapaian tujuan pembangunan skala global tersebut dengan berupaya maksimal memenuhi harapan para pemangku kepentingan, mengingat pemenuhan harapan dimaksud, berarti juga menjalankan berbagai program untuk mencapai tujuan pembangunan global.

Mengingat adanya keterkaitan antara pemenuhan harapan pemangku kepentingan dengan pencapaian tujuan pembangunan global yang berkelanjutan dalam SDGs, kami berupaya memahami dengan sebaik-baiknya harapan mereka melalui pengelolaan hubungan timbal balik yang konstruktif.

PENGELOLAAN HUBUNGAN DENGAN PEMANGKU KEPENTINGAN [G4-24, G4-25, G4-26, G4-27]

Kami telah mengidentifikasi 8 kelompok pemangku kepentingan yang memiliki pengaruh signifikan terhadap kinerja Telkom, dan sebaliknya, kegiatan dan penghidupannya terpengaruh oleh produk/jasa layanan yang kami selenggarakan.

Uraian ringkas mengenai harapan, interaksi dan pengelolaan hubungan positif dengan pemangku kepentingan yang kami lakukan dalam rangka menjaga keberlanjutan usaha, adalah sebagai berikut.

- **Konsumen/Pelanggan**

Harapan utama konsumen adalah koneksi yang cepat, konstan, cakupan yang luas dan kemudahan layanan. Untuk memenuhinya, kami merealisasikan program-program: investasi perluasan jaringan secara berkala, menyelesaikan keluhan pelanggan, survei kepuasan pelanggan terhadap kualitas dan layanan, serta evaluasi berkala untuk memperbaiki kualitas layanan.

As one of the leading SOE in Indonesia, Telkom is of the view that their business activities can also support the achievement of sustainable development goals as articulated in the SDGs. Telkom provides services that have become one of society's main necessities that reach across Indonesia, from cities to rural areas.

Success in achieving sustainable development is seen to support Telkom's future business growth. Therefore, we are determined to support the achievement of the global scale development goals by maximizing efforts to meet the expectations of stakeholders, considering that the fulfillment of the aforesaid expectations of stakeholder expectation, as a mean to run various programs to achieve global development goals.

Considering the link between the fulfillment of stakeholder expectations with achieving global sustainable goals in the SDGs, we aim to understand as much as possible their expectations through the management of constructive mutually beneficial relations.

MANAGING THE RELATIONSHIP WITH STAKEHOLDERS [G4-24, G4-25, G4-26, G4-27]

We have identified 8 stakeholder groups who have significant impact towards the performance of Telkom, and vice versa, whose activities and livelihoods are affected by our products/services.

A brief description on the expectations, interaction and how to manage a positive relationship with stakeholders that we do in order to maintain the sustainability of the business, is as follows.

- **Consumers/Customers**

The consumers' main expectations include a fast, constant, wide-ranging connection and convenience of service. To fulfill such expectations, we have realized the following programs: periodic investments on network expansion, resolving customer complaints, customer satisfaction surveys related to quality and service, as well as periodic evaluations to improve the quality of service.

- **Pemegang Saham/Investor**

Harapan utama pemegang saham/investor adalah kejelasan tingkat pengembalian investasi yang telah ditanamkan. Untuk itu, kami secara berkala mempertanggung jawabkan kinerja perusahaan, memaparkan rencana dan realisasi investasi dan mengumumkan rencana penggunaan laba usaha, termasuk pembagian dividen tahunan, melalui penyelenggaraan Rapat Umum Pemegang Saham Tahunan (RUPST) dan agenda beberapa pertemuan lainnya.

- **Karyawan**

Untuk mengakomodir harapan karyawan, yang meliputi terpenuhinya kesejahteraan, kewajaran dalam penilaian kinerja serta kesamaan hak dan kejelasan jenjang karir, kami secara rutin mengadakan pertemuan dengan perwakilan Sekar Telkom (Serikat Karyawan Telkom) guna membahas penyelesaian seluruh persoalan menyangkut hubungan kerja dan permasalahan kepegawaian. Kami juga merealisasikan berbagai langkah strategis dalam pengelolaan SDM, guna meningkatkan kompetensi karyawan sekaligus menjamin peningkatan kinerja perusahaan.

- **Pemerintah/Regulator**

Pemerintah memiliki harapan dan target utama yaitu kinerja perusahaan yang maksimal dalam mendukung pertumbuhan ekonomi, termasuk perolehan dividen sebagai salah satu komponen pendapatan negara bukan pajak guna membiayai pembangunan nasional. Untuk memenuhinya, kami merealisasikan investasi pengembangan infrastruktur jaringan maupun pengembangan kapasitas transmisi, selain berupaya maksimal mematuhi seluruh ketentuan peraturan yang dikeluarkan Pemerintah serta berupaya mencatatkan kinerja ekonomi yang optimal agar dapat membagikan dividen sesuai yang ditargetkan.

- **Mitra Kerja/Supplier (Vendor)**

Para mitra kerja/*vendor* memiliki harapan untuk mendapatkan kontrak-kontrak baru yang ditetapkan melalui mekanisme pemilihan yang fair dan transparan dengan harga yang wajar yang juga mampu mendukung pengembangan usaha mereka. Untuk itu, kami menyelenggarakan forum diskusi untuk menyelesaikan setiap permasalahan kerja sama dengan berpedoman pada pedoman etika bisnis yang sesuai kaidah tata kelola terbaik. Kami menyelenggarakan penilaian berkala atas kinerja para mitra kerja/*vendor*

- **Shareholders/Investors**

The main expectation of shareholders/investors is clarity with regards to the returns on investments made. To that end, we periodically report the company's performance, describe the investment plans and realizations and announce plans regarding the use of business profits, including annual dividend distributions, through the Annual General Meeting of Shareholders (AGMS) and other meeting agendas.

- **Employees**

To accommodate employees' expectations, encompassing the fulfillment of employee welfare, fairness in assessing performance, as well as equal rights and career path clarity, we routinely hold meetings with Sekar Telkom (*Serikat Karyawan Telkom*) to discuss the settlement of all issues related to employment relations and staffing issues. We have also undertaken several strategic steps in HR management, to improve employees' competence while also ensuring improved company's performance.

- **Government/Regulator**

The Government has a main expectation and target, namely the maximum performance of the company in supporting economic growth, including the acquisition of dividends as a main non-tax state revenue to be used to finance national development. To fulfill such expectation, we have conducted investments on network infrastructure development as well as transmission capacity development, in addition to working optimally to adhere to all regulations stipulated by the Government and to record optimal economic performance to be able to distribute dividends as targeted.

- **Partner/Supplier (Vendor)**

Partners/*vendors* expect to obtain new contracts established through a fair and transparent selection process at a reasonable price that is also able to support their business development. To that end, we hold discussion forums to resolve each and every cooperation-related issue on the basis of business ethics that are in line with good governance. We hold periodical assessments on the performance of

dengan menggunakan kriteria yang diketahui oleh seluruh mitra kerja/*vendor* dan menghormati setiap kesepakatan kerja sama.

- **Kreditur**

Para kreditur tentu menargetkan pinjamannya dapat kami kembalikan tepat waktu, termasuk pembayaran bunganya. Untuk itu, kami mengelola keuangan dengan baik, memenuhi seluruh *covenant* yang mengikat perjanjian pinjaman dan memenuhi seluruh kewajiban keuangan yang jatuh tempo dengan tepat. Untuk menjaga dan meningkatkan kerja sama yang semakin baik, kami menyelenggarakan berbagai event pertemuan berkala dengan para kreditur maupun calon kreditur potensial, seperti presentasi, *creditor session*, dan lain sebagaimana yang biasa dilakukan oleh perusahaan terbuka.

- **Masyarakat Sekitar**

Masyarakat sekitar memiliki harapan utama agar kehadiran Telkom memberi manfaat positif bagi kehidupan, kesejahteraan dan perbaikan kondisi lingkungan sekitar. Untuk memenuhinya, kami merealisasikan program tanggung jawab sosial perusahaan sesuai dengan potensi, kondisi dan situasi wilayah yang dalam prosesnya melibatkan tokoh masyarakat dan Pemerintah Daerah untuk menggali dan mengembangkan program-program yang dapat dilaksanakan. Kami juga bekerja sama dengan akademisi dan konsultan sebagai tenaga ahli yang dapat memberikan saran demi optimalisasi keberhasilan pelaksanaan program tanggung jawab sosial perusahaan.

- **Media Massa**

Media memiliki harapan untuk senantiasa mendapatkan berita dan keterangan yang akurat, *up to date* mengenai kondisi usaha dan perkembangan kinerja perusahaan. Untuk memenuhi harapan tersebut, kami melakukan berbagai program jumpa pers atau media *gathering* untuk menjaga kepercayaan dan hubungan dengan media. Selain itu, kami juga aktif mengelola beberapa media internal untuk mengkomunikasikan berbagai rencana perusahaan, keberhasilan dan hambatan yang dihadapi agar mendapatkan umpan balik yang positif.

Adapun rekapitulasi pengelolaan hubungan dengan para pemangku kepentingan adalah sebagai berikut.
[G4-24, G4-25, G4-26, G4-27]

partners/*vendors* using criteria known by all partners/*vendors* and honor every cooperation agreement.

- **Creditors**

Surely, creditors would like to see their loans returned on time, including the interests contained therein. To that end, we manage our finance well, meet all binding covenants contained in loan agreements and duly fulfill all mature financial obligations. To maintain and improve cooperation, we hold various meeting events with creditors and potential creditors periodically, in the form of presentations, creditor sessions, and other events normally conducted by a public company.

- **Local Communities**

The main expectation of local communities is to reap benefits from Telkom's presence for their lives, welfare, and for the improvement of the surrounding environment. To meet such expectation, we have been implementing corporate social responsibility programs in line with regional potentials, conditions and situations, the process of which involves community leaders and Regional Governments to explore and develop implementable programs. We also work with academics and consultants to be our experts that may provide suggestions for optimizing the successful implementation of corporate social responsibility programs.

- **Mass Media**

The Media expects to always receive accurate, up to date news and information regarding business conditions and the performance of the company. To meet such expectation, we have conducted several press conferences or media gathering programs to maintain media trust and media relations. Moreover, we have also been actively managing several internal media to communicate the Company's plans, successes and challenges to receive positive feedback.

A recapitulation of relations management with our stakeholders is as follows. [G4-24, G4-25, G4-26, G4-27]

Stakeholders' Type	Basis Penetapan Determination Basis	Method of Engagement	Frekuensi Frequency	Stakeholders' Expectation
Pelanggan Customer	<ol style="list-style-type: none"> Pengaruh Influence Ketergantungan Dependence 	<ol style="list-style-type: none"> Survey kepuasan pelanggan (CSI) Customers' Satisfaction Index Survey (CSI) <ul style="list-style-type: none"> Layanan pengaduan Call center Pusat pelayanan pelanggan Customers' service center <ul style="list-style-type: none"> Temu pelanggan Customer gathering Program layanan khusus Special service program 	<ul style="list-style-type: none"> Disesuaikan Adjusted Disesuaikan Adjusted Disesuaikan Adjusted 	<ol style="list-style-type: none"> Koneksi yang cepat dan konstan. Speedy and constant connection. Cakupan jaringan yang luas. Speedy and constant connection. Kemudahan penyelesaian keluhan layanan. Complaint settlement service facility. Pelayanan yang melebihi harapan. Beyond-expectation service.
Pemegang saham dan Investor Shareholders and Investors	Tanggung Jawab Responsibility	<ol style="list-style-type: none"> RUPS General Meeting of Shareholders (GMS) Conference dan Non-deal road show Conference and Non-deal road show Paparan Kinerja Performance Presentation Sitevisit 	<ul style="list-style-type: none"> - 1 kali (minimal) 1 time (minimum) - 16 kali 16 times - 6 kali 6 times - Disesuaikan Adjusted 	<ol style="list-style-type: none"> Menjaga dan meningkatkan nilai investasi melalui peningkatan kinerja Perseroan. Maintain and increase investment value through improvement of Company's performance. Keterbukaan informasi terhadap hal-hal yang substansial dan kejelasan arah pengembangan usaha. Information disclosures on substantial matters and clarity on the direction of business development. Menghormati hak-hak pemegang saham sesuai UU, Peraturan, AD/ART. Respect the rights of the shareholders pursuant to the Laws, Regulations, AoA/By-Laws. Pembagian dividen yang teratur. Regular dividend distribution

Stakeholders' Type	Basis Penetapan Determination Basis	Method of Engagement	Frekuensi Frequency	Stakeholders' Expectation
Karyawan Employees	Tanggung Jawab Responsibility	<ol style="list-style-type: none"> Melalui Sekar-Telkom Through Sekar-Telkom Allignment organisasi SDM Alignment of HR organization Training Training Pertemuan berkala dengan Manajemen Periodic meeting with the Management 	- Minimal 1 kali setahun atau sesuai kebutuhan At least once a year or according to requirements.	<ol style="list-style-type: none"> Kejelasan hak dan kewajiban. Transparency on rights and obligations. Kejelasan atas penilaian kompetensi, jenjang karir dan keseimbangan remunerasi dengan kinerja. Transparency on the evaluations of competency, career path and equality of remuneration against performance. Kesetaraan dalam jenjang karir dan remunerasi. Equality in career path and remuneration. Tidak ada praktek diskriminasi. No discrimination practices. Terjaminnya keamanan, kesehatan, dan keselamatan kerja. Guaranteed work security, health and safety. Terjaganya kenyamanan lingkungan kerja Maintenance of comfortable work environment.
Pemerintah/ Regulator Government/ Regulator	<ol style="list-style-type: none"> Perwakilan Representation Pengaruh Influence 	<ol style="list-style-type: none"> Pertemuan Bipartit Bipartite Meeting Dengar Pendapat dengan DPR Hearing with the House of Representatives (DPR) Kunjungan Kerja Work Visit 	<ol style="list-style-type: none"> Disesuaikan Adjusted Disesuaikan Adjusted Disesuaikan Adjusted 	<ol style="list-style-type: none"> Terjalinnnya hubungan yang harmonis dan konstruktif atas dasar kejujuran dengan regulator. Create an honest harmonized and constructive-relationship with the regulator. Telkom dan segenap jajarannya tunduk dan mematuhi hukum, perundangan dan peraturan. Telkom and all of its management are subject to and comply with the laws, legislations and regulations. Telkom berkontribusi positif terhadap keemajaan masyarakat sekitar. Telkom gives positive contributions to the surrounding community development. Adanya tambahan pendapatan selain pajak/ dividen. Existence of additional income other than taxes/ dividends.



Stakeholders' Type	Basis Penetapan Determination Basis	Method of Engagement	Frekuensi Frequency	Stakeholders' Expectation
Mitra Kerja (<i>vendor, supplier, agen, reseller, installer</i>) Partners (<i>vendors, suppliers, agent, resellers, installers</i>)	1. Pengaruh <i>Influence</i> 2. Ketergantungan <i>Dependence</i>	1. Kontrak lelang dan pengadaan <i>Procurement and tender contracts</i> 2. Penilaian kinerja supplier <i>Supplier performance evaluation</i> 3. Manajemen Vendor <i>Vendor Management</i> 4. Seleksi supplier <i>Supplier selection</i> <i>Penerapan e-Procurement</i> <i>Implementation of e-Procurement</i> 5. Penerapan e-Procurement <i>Implementation of e-Procurement</i>	1. Disesuaikan <i>Adjusted</i> 2. Minimal 1 thn sekali <i>Once a year at the minimum</i> 3. Disesuaikan <i>Adjusted</i> 4. Minimal 1 thn sekali <i>Once a year at the minimum</i> 5. Disesuaikan <i>Adjusted</i>	1. Proses pengadaan secara fair dan transparan. <i>Fair and transparent procurement process.</i> 2. Seleksi dan evaluasi secara obyektif dalam pemilihan mitra. <i>Objective selection and evaluation in selecting partners.</i> 3. Prosedur administrasi pengadaan yang akurat namun mudah dimengerti. <i>Accurate but user-friendly procedure of procurement administration.</i> 4. Penyelesaian pembayaran yang tepat waktu. <i>Prompt payment settlement.</i> 5. Hubungan saling menguntungkan. <i>Mutually beneficial relationship.</i>
Kreditur <i>Creditors</i>	Ketergantungan <i>Dependence</i>	1. Site project visit 2. Conference call 3. Club deal 4. Presentasi Rencana Aksi Korporasi <i>Presentation of Corporate Action Plan</i>	1. Disesuaikan <i>Adjusted</i> 2. Disesuaikan <i>Adjusted</i> 3. Disesuaikan <i>Adjusted</i> 4. Disesuaikan <i>Adjusted</i>	1. Kejelasan rencana pengembangan. <i>Clarity in development plan.</i> 2. Pembayaran kewajiban tepat waktu. <i>Prompt payment of obligations.</i> 3. Transparansi kondisi operasional. <i>Transparency in operational condition.</i> 4. Update informasi mengenai kondisi operasional dan finansial. <i>Update of information on operational and financial conditions.</i>

Stakeholders' Type	Basis Penetapan Determination Basis	Method of Engagement	Frekuensi Frequency	Stakeholders' Expectation
Masyarakat Society	<ol style="list-style-type: none"> Perwakilan Representation Kedekatan Closeness 	<ol style="list-style-type: none"> Musyawaharah dalam perencanaan. Discussion in planning. Pengawasan realisasi program bersama-sama. Joint supervision of program realization. Philanthropic activities. 	<ol style="list-style-type: none"> Disesuaikan Adjusted Disesuaikan Adjusted Disesuaikan Adjusted 	<ol style="list-style-type: none"> Terjalinnnya hubungan yang serasi dan harmonis. Establishment of synchronized and harmonized relationship. Kontribusi positif terhadap kehidupan ekonomi, sosial, dan lingkungan masyarakat sekitar. Positive contribution to the economic, social and environment lives of the surrounding community. Turut serta dalam kegiatan pelestarian lingkungan. Participation in environmental conservation activities.
Media massa Mass Media	Perwakilan Representation	<ol style="list-style-type: none"> Press release Media gathering Press conference Press briefing 	<ol style="list-style-type: none"> Disesuaikan Adjusted Disesuaikan Adjusted Disesuaikan Adjusted Disesuaikan Adjusted 	<ol style="list-style-type: none"> Akurasi objek pemberitaan. Accuracy in news objects. Informasi terkini. Latest information. Penyampaian berita tepat waktu. Prompt news delivery. Transparansi kondisi operasional dan finansial. Transparency in operational and financial conditions.







MENDUKUNG PENGEMBANGAN PEREKONOMIAN DIGITAL

SUPPORTING DIGITAL ECONOMIC DEVELOPMENT

- 76** **Membangun Perekonomian Digital Nasional**
Building A National Digital Economy
- 78** **Distribusi Perolehan Nilai Ekonomi**
Economic Value Distribution
- 79** **Kontribusi Kepada Negara**
Contribution to the State
- 80** **Mendorong Pertumbuhan Perkonomian Daerah**
Encouraging Regional Economic Growth
- 81** **Membina Relasi Jangka Panjang dengan Mitra Kerja**
Fostering Longterm Relationship with Partners

MENDUKUNG PENGEMBANGAN PEREKONOMIAN DIGITAL

“Kami mendukung penuh upaya membangun konektivitas nasional dengan merealisasikan pembangunan jaringan berbasis optik yang menghubungkan Aceh hingga Papua dengan menyediakan layanan telekomunikasi dasar maupun layanan IME dalam rangka mendorong tumbuhnya perekonomian nasional berbasis kompetensi digital yang berdaya saing tinggi.”

Kami meyakini ketersediaan infrastruktur dasar, seperti infrastruktur telekomunikasi dan informasi yang memadai dan handal, merupakan salah satu faktor pendukung daya saing suatu negara, terlebih bagi Indonesia yang terdiri dari gugusan kepulauan. Demikian pentingnya ketersediaan infrastruktur dasar bagi pembangunan suatu negara, konsep *Sustainable Development Goals* (SDGs) sampai memasukkannya kedalam salah satu tujuan pembangunan global, yakni pada butir ke-9 “Industri, Inovasi dan Infrastruktur - Membangun infrastruktur tangguh, mempromosikan industrialisasi inklusif dan berkelanjutan serta mendorong inovasi”.

Kami juga meyakini peluang pertumbuhan pasar sektor telekomunikasi di Indonesia sangat menjanjikan, mengingat jumlah penduduk yang besar, mencapai angka 255,5 juta jiwa (Proyeksi BPS, 2015), yang disertai kestabilan pertumbuhan ekonomi sejak beberapa tahun terakhir.

MEMBANGUN PEREKONOMIAN DIGITAL NASIONAL [G4-2]

Pada tahun 2016, perekonomian Indonesia tetap tumbuh moderat sebesar 5,02% lebih baik dari pertumbuhan 4,88% di tahun 2015. Sektor industri telekomunikasi kembali mencatatkan kontribusi yang baik dengan tumbuh hampir dua kali lipat angka pertumbuhan PDB. Hal ini menunjukkan kebutuhan akan telekomunikasi, berbasis digital dan *broadband* semakin meningkat bahkan telah menjadi bagian kebutuhan dasar masyarakat Indonesia.

Di sisi lain, penetrasi akses internet di Indonesia masih relatif rendah dibandingkan negara-negara di kawasan. Selain itu, pertumbuhan ekonomi yang diproyeksikan akan terus membaik di tahun-tahun mendatang membuat kami meyakini permintaan layanan jasa telekomunikasi berbasis digital dan *broadband* di Indonesia akan terus meningkat. Baik dalam rangka memenuhi kebutuhan telekomunikasi dasar, maupun untuk layanan data sebagai bagian dari gaya hidup digital yang semakin lazim di masyarakat modern seperti pembayaran digital, *e-commerce*, musik, maupun *game*.

SUPPORTING THE DEVELOPMENT OF THE DIGITAL ECONOMY

“We fully support efforts to build national connectivity through the realization of an optic-based network development connecting Aceh to Papua by providing basic telecommunications services as well as IME services in order to encourage highly competitive national development based on digital competence.”

We believe that the availability of basic infrastructure, such as adequate and reliable telecommunication and information infrastructure is one of the factors supporting a country’s competitiveness, especially for Indonesia, which are made up of island chains. The importance of basic infrastructure availability is so important for a country’s development, that the Sustainable Development Goals (SDGs) concept includes it as one of its global development objectives, namely in point 9, “Innovation and Infrastructure - building resilient infrastructure, promote inclusive and sustainable industrialization and to encourage innovation”.

We also believe in the opportunities in the growing telecommunications sector in Indonesia, which is very promising, considering Indonesia’s vast population, reaching 255.5 million (BPS projection, 2015), coupled with the stability of economic growth since the last few years.

BUILDING A NATIONAL DIGITAL ECONOMY [G4-2]

In 2016, Indonesia’s economy continued to grow moderately by 5.02%, greater than the 4.88% growth in 2015. The telecommunications industry sector has once again recorded a positive contribution almost twice the GDP growth rate. This shows an increase in the demand for telecommunication and access of information, even demonstrating that they have become a basic need for Indonesians.

On the other hand, empirical studies have shown that internet access penetration in Indonesia remains to be low compared to other countries in the region. This fact, and the fact that Indonesia’s economic growth is projected to continue in the coming years, has convinced us that the demand for telecommunications services will continue to rise. Both to fulfill basic telecommunication needs, as well as to fulfill data services needs for digital lifestyles, which is increasingly prevalent in modern society, such as digital payments, e-commerce, music and games.

Untuk itu, Telkom terus memperkuat infrastruktur jaringannya, baik dalam aspek *coverage*, kapasitas maupun kapabilitasnya. Infrastruktur kunci yang menjadi pondasi bisnis Telkom adalah Indonesia *Digital Network* (IDN) yang terdiri dari id Access, id Ring, id Con.

Pembangunan jaringan telekomunikasi yang luas tersebut diharapkan dapat turut membantu mendorong laju pertumbuhan ekonomi nasional, diantaranya dengan didukung oleh pertumbuhan industri terkait digital, termasuk *e-commerce*. Kami percaya permintaan *broadband* (termasuk *mobile broadband*) akan terus meningkat, yang dapat mengkompensasi penurunan bisnis *legacy* (baik *fixed wireline*, pendapatan suara seluler dan pendapatan SMS). Kami berharap peningkatan permintaan untuk layanan data, internet, dan *IT services* berlanjut pada tahun 2017 sejalan dengan peningkatan kapasitas untuk melayani segment personal, home maupun enterprise.

Kami telah mengembangkan usaha dengan menerapkan inisiatif strategis untuk memastikan pencapaian tujuan perusahaan menjadi “*the King of Digital*”. Kami bertekad melakukan akselerasi investasi jaringan dan pengembangan produk digital dan Broadband bagi korporat, bisnis, dan individu. Kami bersinergi dengan mitra dan entitas anak di bidang digital untuk memberikan *customer experience* terbaik.

Therefore Telkom continues to strengthen its network infrastructure, both in terms of coverage, capacity and capabilities. Key infrastructure that became the foundation of our business is the Indonesia Digital Network (IDN), which consists ID Access, Id and Id Ring Con.

The development of the aforementioned telecommunications network is expected to enable Indonesia to boost its economic growth, among other through the growth of the digital industry including e-commerce. We believe that this will lead to an increase in the demand for broadband (including mobile broadband), that will compensate for the declining legacy business (fixed wireline, mobile phone revenue and SMS revenue). We hope that the demand for internet, data communication and corporate will continue to grow in 2017 in line with the increased capacity to serve personal, home and enterprise segment.

We have developed our business by implementing strategic initiatives to ensure the achievement of the Company’s objectives to be “the King of Digital”. We are determined to accelerate network investment and development of digital products for corporations, business, the public, and individuals. We work together with partners and subsidiaries in various fields to find the best digital solutions and to provide the best customer experience.



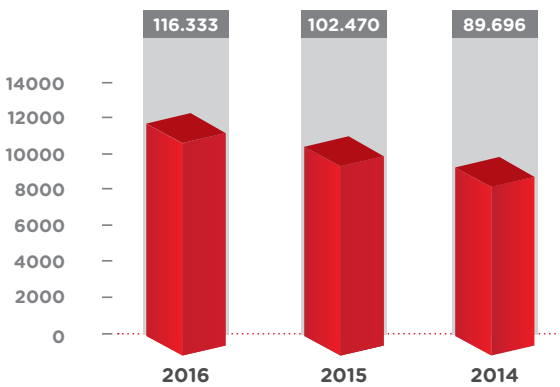
DISTRIBUSI PEROLEHAN NILAI EKONOMI [G4-EC1]

Telkom memandang keberlanjutan dari dimensi ekonomi merupakan upaya yang dilakukan dengan tujuan mendukung kemampuan ekonomi para pemangku kepentingan. Selaras dengan perbaikan kinerja ekonomi, kami meningkatkan pendistribusian perolehan nilai ekonomi, agar dapat mendukung tumbuhnya kesempatan kerja yang semakin baik pada seluruh mata rantai pemasok/mitra kerja Telkom, sebagaimana tampak pada dua diagram berikut. Hal ini sesuai dengan rumusan SDGs butir ke - 8 "Pertumbuhan Ekonomi dan Pekerjaan yang Layak - Mendukung pertumbuhan ekonomi yang berkelanjutan dan inklusif, membuka kesempatan kerja seluas-luasnya, produktif serta menciptakan pekerjaan yang layak untuk semua".

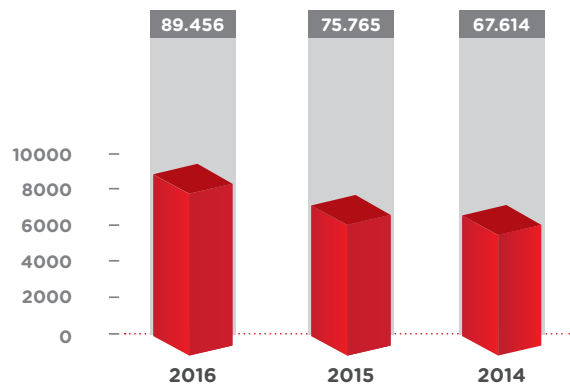
ECONOMIC VALUE DISTRIBUTION [G4-EC1]

Telkom views sustainability from an economic dimension as efforts conducted with the aim to support the economic capabilities of stakeholders. In line with improvements in economic performance, we are increasing the distribution of economic value, in order to support the growth of employment opportunities in the supply chain of Telkom partners, as shown in the two diagrams below. This is in line with the formulation of Goal 8 of the SDGs, "Economic Growth and Decent Work - supporting sustainable and inclusive economic growth, full and productive employment and decent work for all".

Perolehan Nilai Ekonomi (dalam miliar Rp) Economic Value Generation (in billion Rp)



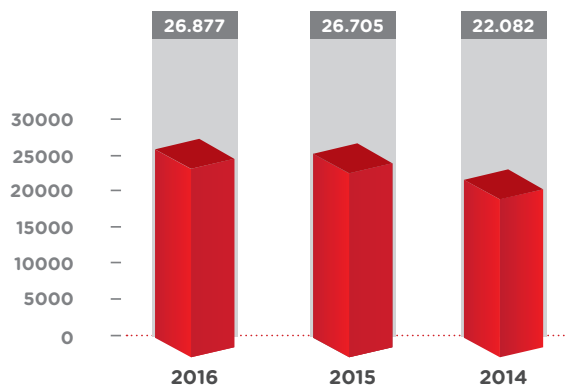
Distribusi Nilai Ekonomi (dalam miliar Rp) Economic Value Distribution (in billion Rp)



Dengan pendistribusian nilai perolehan di tahun 2016 tersebut, kami masih menahan nilai perolehan ekonomi sebesar Rp116.333 triliun untuk mendukung pengembangan usaha di masa mendatang.

With the distribution of value in 2016, we are still withholding economic gain value in the amount of Rp116,333 trillion to support future business development

Nilai Ekonomi yang Ditahan (dalam miliar Rp) Retained Economic Value (in billion Rp)



Adapun rincian nilai-nilai ekonomi yang kami terima dan kami distribusikan dapat dilihat pada tabel Ikhtisar Nilai Ekonomi di bawah ini.

Tabel Distribusi Perolehan Nilai Ekonomi [G4-EC1]

Uraian (dalam miliar Rp) Description (in billion Rp)	2016	2015	2014
Nilai Ekonomi Langsung yang Dihasilkan <i>Direct economic value generated</i>			
a) Penerimaan <i>Revenues</i>	116.333	102.470	89.696
Nilai Ekonomi yang Didistribusikan <i>Direct economic value distributed</i>			
Biaya Operasional/ <i>Operational Cost</i>	43.103	35.922	33.124
Gaji dan tunjangan pegawai/ <i>Employee wages and benefits</i>	12.984	11.191	9.619
Pembayaran kepada penyandang dana/ <i>Payment to Investor</i>	21.526	19.237	17.339
Pengeluaran untuk Pemerintah/ <i>Payment to Government</i>	11.709	9.299	7.436
Pengeluaran untuk Masyarakat/ <i>Community Investment</i>	134	116	96
Jumlah Nilai Ekonomi Langsung yang Didistribusikan <i>Total direct economic value distributed</i>	89.456	75.765	67.614

Tabel distribusi ekonomi di atas menunjukkan bahwa peningkatan kinerja Telkom tidak hanya berarti meningkatkan kekayaan para pemegang saham, namun juga memberipengaruh positif pada para pemangku kepentingan lainnya, yakni kreditor, pemerintah, pegawai, mitra kerja maupun masyarakat sekitar.

KONTRIBUSI KEPADA NEGARA

Kami juga mendistribusikan perolehan nilai ekonomi secara teratur dalam beberapa bentuk sebagai kontribusi langsung Telkom kepada negara. Kami memberikan dividen selaras dengan kinerja ekonomi yang diraih, membayar berbagai pajak dan secara berkala membayar biaya hak penyelenggaraan jasa telekomunikasi serta biaya hak penggunaan frekuensi kepada pemerintah.

Total nilai ekonomi yang kami distribusikan kepada negara selama tahun 2016 adalah sebesar Rp14.917 triliun. Sebagai catatan, kontribusi kepada negara ini belum termasuk dividen final yang akan diputuskan pada RUPST di tahun 2017.

Tabel Kontribusi kepada Penerimaan Negara (Rp miliar)

The details of gained economic values that we have received and distributed can be seen in the following Economic Value Acquisition table.

Economic Value Distribution Table [G4-EC1]

The economic distribution table above shows that the improvement in Telkom's performance not only increases the wealth of shareholders, but also creates a positive impact for other stakeholders, namely creditors, Government, employees, partners, as well as surrounding communities.

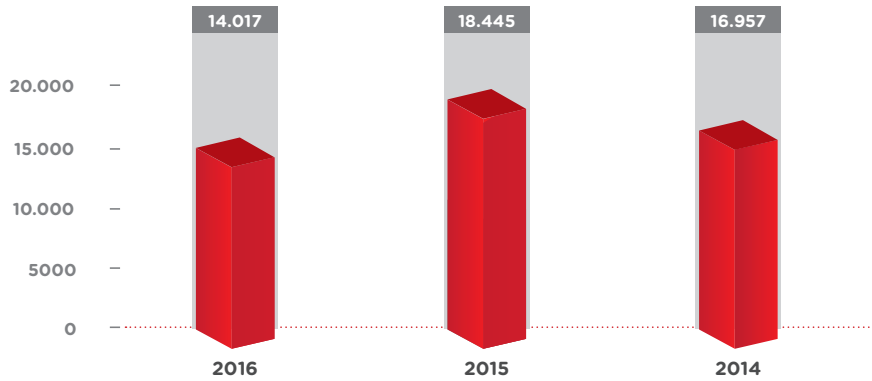
CONTRIBUTION TO THE STATE

We also regularly distribute economic gain in various forms as Telkom's direct contribution to the State. We provide dividends in line with the economic performance achieved, pay various taxes and periodically pay fees to the government for telecommunications services rights and frequency usage.

The total economic value that we have contributed to the State throughout 2016 was in the amount of Rp14,917 trillion. For the record, the contributions to this country not including the final dividend will be decided in the AGMS in 2017

Table of Contribution to State Revenue (Rp billion)

Kontribusi Kepada Negara Contribution to State Revenue



MENDORONG PERTUMBUHAN PEREKONOMIAN DAERAH

Kami mendistribusikan perolehan nilai ekonomi kepada pemerintah daerah dalam bentuk setoran Pajak Bumi dan Bangunan (PBB) atas setiap aset tetap tidak bergerak yang dimiliki dan dioperasikan sebagai kantor pendukung Telkom. Kami juga menyetorkan pajak kendaraan operasional, seluruhnya merupakan bagian dari kontribusi langsung Telkom terhadap pendapatan asli daerah (PAD) setempat. Untuk tahun 2016 lalu, total setoran PBB yang kami bayarkan mencapai Rp46 miliar, naik 12.5% dari Rp40 miliar ditahun sebelumnya.

Kontribusi Telkom lainnya adalah melalui penyerapan tenaga kerja lokal dan tumbuhnya kegiatan ekonomi berbasis teknologi informasi di sekitar wilayah operasional sebagai salah satu langkah strategis dalam mendukung laju pertumbuhan perekonomian daerah.

Kegiatan pembangunan jaringan kabel telepon, pembangunan menara-menara BTS dan lain sebagainya yang akan memberikan dampak positif bagi pertumbuhan ekonomi, juga merupakan bentuk kontribusi tak langsung dari Telkom, yakni tumbuhnya penyerapan tenaga kerja lokal oleh mitra kerja lokal.

Selain melalui penyerapan tenaga kerja langsung dari kegiatan ekspansi usaha maupun penyerapan tenaga kerja oleh mitra kerja, kami berupaya mendukung upaya percepatan peningkatan perekonomian daerah melalui pelaksanaan Program Kemitraan.

ENCOURAGING REGIONAL ECONOMIC GROWTH

We distribute economic value gains to local governments in the form of Land and Building taxes for every immovable fixed assets owned and operated as Telkom support offices. We also pay operational vehicle taxes, all of which amount to Telkom's direct contribution to local revenue. In 2016, the total amount of Land and Building Taxes that we have paid was in the amount of Rp46 billion, an increase of 12.5% from Rp40 billion from the previous year.

Another contributions of Telkom is in the form of local employment and the growth of information technology-based economic activities around Telkom's operational areas as a strategic step in supporting regional economic growth.

Telephone cable network development activities, BTS tower development, etc, will have a positive impact for economic growth, and is also a form of Telkom's indirect contribution, namely the growth of local employment by local partners.

In addition to employment resulting directly from business expansion activities and employment by partners, we seek to support efforts to accelerate the improvement of regional economies through Partnership Programs.

MEMBINA RELASI JANGKA PANJANG DENGAN MITRA KERJA

Kami berupaya menjalin hubungan kerja baik jangka pendek maupun jangka panjang dengan pemasok barang maupun jasa, dengan meningkatkan kualitas hubungan melalui penerapan prinsip dasar pengadaan yang efisien, efektif, terbuka dan bersaing, transparan, tidak diskriminatif serta akuntabel. Mengingat operasional kami yang meliputi seluruh wilayah Indonesia dan mengharuskan berlangsungnya kegiatan layanan selama 24 jam setiap hari, maka peningkatan kualitas hubungan dengan para pemasok, kontraktor maupun mitra tersebut akan berdampak positif pula terhadap kinerja kami.

Kami memilih mitra kerjasama dalam pengadaan barang dan jasa dalam tiga tahapan utama, yakni *registrasi supplier* melalui aplikasi *Supply Management and Logistic Enhancement (SMILE)*. Selanjutnya dilakukan Seleksi Supplier, meliputi pelaksanaan proses *assessment* pemasok sesuai dengan klasifikasi usaha dan beberapa kriteria lain sehingga menghasilkan *ranking* dan *short-list*. Seleksi diakhiri dengan penetapan *Eligible Bidder*, yaitu pemasok yang berhak atau akan dilibatkan untuk mengikuti proses *procurement* (pembelian). Pada dasarnya proses pemilihan mitra tersebut dilakukan secara terbuka dan dapat diikuti oleh seluruh pihak sepanjang memenuhi syarat yang ditetapkan, metode penilaian yang transparan dan pengambilan keputusan yang akuntabel.

Kami menerapkan prosedur pemilihan dan penilaian kinerja para pemasok secara berkala dengan mengedepankan asas transparansi dan kewajaran. Untuk itu, kami menerapkan konsep *integrated supply chain* yang didukung aplikasi teknologi informasi terkini, untuk memastikan pemantauan kinerja pemasok berjalan secara transparan dan proses pasokan barang dan jasa memenuhi kaidah-kaidah ekonomi dan tata kelola yang baik.

Dari proses evaluasi terhadap seluruh pemasok tersebut di tahun pelaporan, tidak dijumpai adanya pelanggaran terhadap peraturan dimaksud. (Lihat juga uraian “Dampak Kerjasama dengan Pemasok” pada Bab “Tentang Laporan”, serta “Kebijakan Pengadaan Barang/Jasa” pada Bab “Tata Kelola Keberlanjutan Telkom”).

FOSTERING LONG-TERM RELATIONSHIPS WITH PARTNERS

We always strive to foster short term and long term relationships with suppliers of goods and services, by improving the quality of relationships through efficient, effective, open and competitive, transparent, non-discriminative and accountable procurement principles. Considering our nation-wide operation in Indonesia that requires 24-hour daily service, the improvement of our relationship with suppliers, contractors and partners will also have a positive impact on our performance.

We select partners in the procurement of goods and services through three main stages, namely supplier registration through our Supply Management and Logistic Enhancement (SMILE) application. Subsequently, supplier selection is conducted, encompassing the supplier assessment procedure in accordance with business classifications and other criteria so as to produce ranks and short-lists. The selection is concluded by the determination of Eligible Bidders, namely suppliers that receives the right to participate in the procurement process. Essentially, the process of selecting partners is conducted openly and can be joined by all parties meeting the specified requirements, having transparent assessment methods and accountable decision-making.

We periodically implement supplier selection and performance procedures by promoting the principles of transparency and fairness. To that end, we have been implementing the integrated supply chain concept supported by the latest information technology application in order to ensure that supplier performance monitoring is conducted transparently and fulfills the principles of economics and good corporate governance.

From the evaluation process towards all suppliers within the financial years, no violations have been found. (Please also see “Impact of Cooperation with Suppliers” in the “On Reports” Chapter, and “Goods/Services Procurement Policies” in the “Telkom Sustainable Governance” Chapter).







TELKOM BERSINERGI DAN BERBAGI

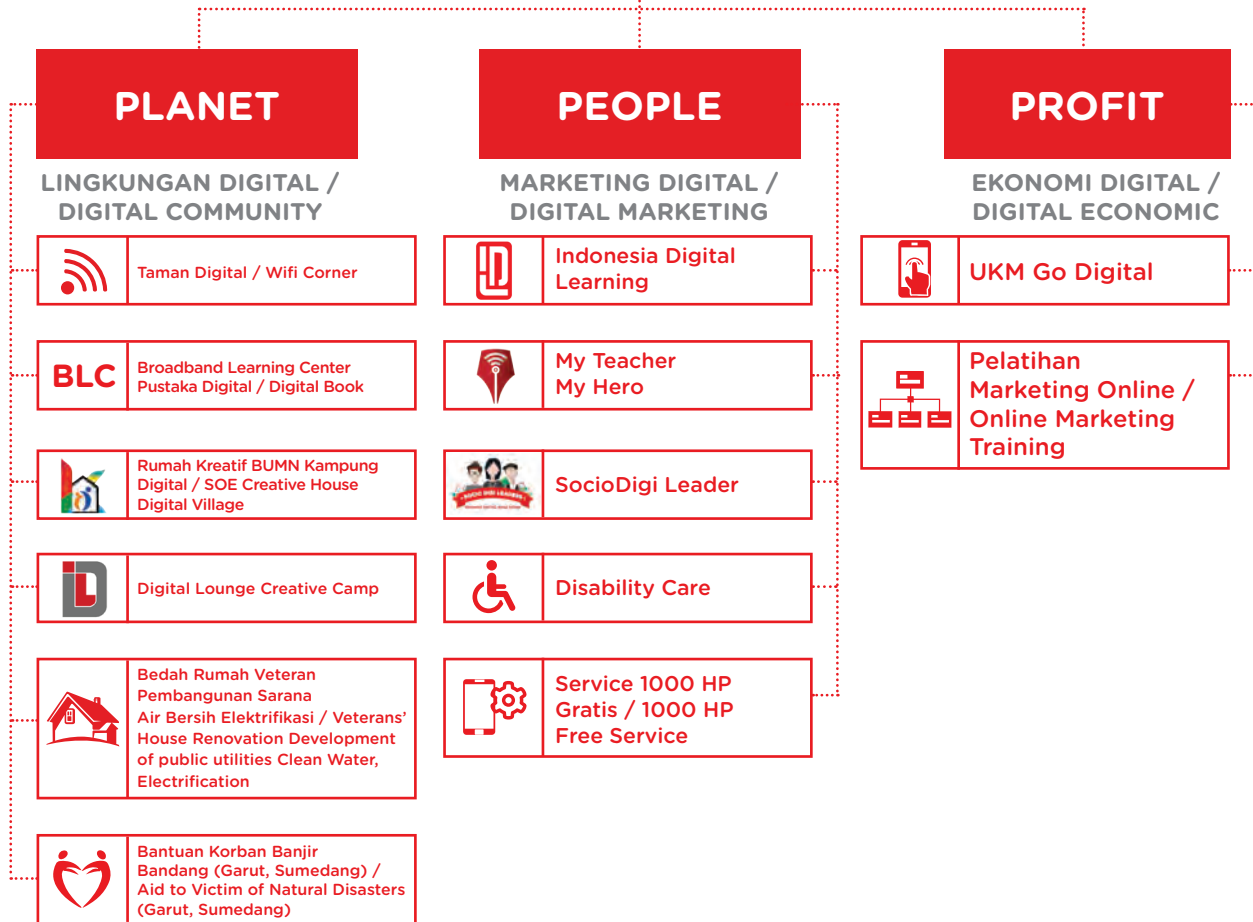
SYNERGY AND SHARING

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Employee Volunteer Program

BUMN

Hadir untuk negeri

Tema: Telkom Indonesia Untuk Indonesia



TELKOM BERSINERGI DAN BERBAGI [G4-SO1]

"Merancang dan melaksanakan program tanggung jawab perusahaan dengan penekanan pada tumbuh dan berkembangnya kompetensi masyarakat, sehingga mampu meningkatkan kesejahteraan keluarga dan lingkungan sekitar dengan dukungan akses telekomunikasi dan konten program terbaik bagi berkembangnya masyarakat digital yang memiliki kompetensi menjadi pelaku bisnis yang kreatif dan tangguh."

Telkom meyakini, meningkatnya kesejahteraan masyarakat akan berimbas pada tumbuh dan berkembangnya skala usaha Telkom, demikian juga sebaliknya. Oleh karenanya sejalan dengan keyakinan bahwa "Telkom ada untuk Indonesia, tumbuh dan berkembang bersama-sama masyarakat Indonesia", maka kami menerapkan prinsip

SYNERGIZING AND SHARING TELKOM [G4-SO1]

"Designing and implementing a corporate responsibility program with an emphasis on community growth and development competence, to improve the welfare of the family and the environment with the support of the best telecommunications access and program content for the development of a digital society that has the competence to be creative and resilient business people."

Telkom believes that improving community welfare will have an impact on the growth and development of Telkom business scale, and vice versa. Therefore, in line with the belief that "Telkom is there for Indonesia, grow and develop together with the people of Indonesia", we apply the principle of profit-people-planet ("3P"). Given the

profit-people-planet (“3P”). Mengingat begitu pentingnya penerapan konsep 3P, kami menjalankan 2 program umum yang saling melengkapi, yakni: Program *Corporate Social Responsibility* – Telkom (“CSR-Telkom”) dan Program Kemitraan dan Bina Lingkungan (“PKBL”). [G4-SO1]

VISI, MISI DAN TUJUAN PROGRAM TANGGUNG JAWAB SOSIAL PERUSAHAAN [G4-MDA]

VISI DAN MISI

Kami telah mengembangkan Visi CSR yakni menjadi *leader* dalam implementasi program CSR di Asia, dan telah menetapkan 6 butir Misi CSR, yakni:

- *Cause promotion.*
- *Cause related marketing.*
- *Corporate social marketing.*
- *Corporate philanthropy.*
- *Community volunteering.*
- *Socially responsible business practice.*

TUJUAN - [G4-DMA], [G4-SO1]

• Tujuan CSR-Telkom

Mendukung keberlangsungan bisnis Perseroan dengan melaksanakan pembangunan yang berkelanjutan di bidang ekonomi, sosial, dan lingkungan yang melibatkan karyawan Telkom Group dan masyarakat, berlandaskan pada tiga pilar utama (*triple bottom line*), yaitu *planet, people* dan *profit*.

- *Planet.* Ikut mempertimbangkan dan menjaga kelestarian alam dan lingkungan dalam setiap kegiatan operasional.
- *People.* Menciptakan SDM yang andal dalam melakukan pemberdayaan masyarakat melalui *community development*.
- *Profit.* Tidak hanya mengejar *profit* namun diharapkan juga memberdayakan ekonomi masyarakat di lingkungannya.

• Tujuan PKBL-Telkom

Pemberdayaan masyarakat dengan fokus pada bidang ekonomi dan bidang sosial yang berkaitan langsung maupun tidak langsung dengan bisnis utama Telkom. Program PKBL meliputi kegiatan di 8 bidang yaitu: (i) bantuan korban bencana alam, (ii) bantuan pendidikan dan pelatihan, (iii) bantuan kesehatan masyarakat, (iv) bantuan sarana umum, (v) bantuan sarana ibadah, (vi) bantuan pelestarian lingkungan, (vii) bantuan pengentasan kemiskinan dan (viii) peningkatan kapasitas UKM mitra binaan.

importance of applying the concept of 3P, we run 2 (two) complementary general programs, namely: Corporate Social Responsibility Program - Telkom (“CSR-Telkom”) and the Partnership and Community Development Program (“PKBL/PCDP”). [G4-SO1]

VISION, MISSION AND OBJECTIVES OF THE CORPORATE SOCIAL RESPONSIBILITY PROGRAM [G4-MDA]

VISION AND MISSION

We have developed CSR Vision that is to be a leader in the implementation of CSR program in Asia, and have established six Missions of the CSR, namely:

- *Cause promotion.*
- *Cause related marketing.*
- *Corporate social marketing.*
- *Corporate philanthropy.*
- *Community volunteering.*
- *Socially responsible business practice.*

OBJECTIVES - [G4-DMA], [G4-SO1]

• The objectives of CSR-Telkom

Supporting the continuity of the company’s business by implementing sustainable development in economic, social, and environmental sectors that involves the employees of Telkom Group and the community, based on three main pillars (*triple bottom line*), namely the *planet, the people* and the *profit*.

- *Planet.* Taking into account and preserving the nature and environment in every operational activity.
- *People.* Creating reliable human resources in the effort of community empowerment through *community development*.
- *Profit.* The program is not only intended to gain profit, but also to empower the economy of the people in their environment.

• The objective of PCDP-Telkom

Community empowerment with a focus on the economic and social fields which are directly or indirectly related with Telkom’s main business. The PCDP program encompasses activities in eight areas, namely: (i) aid for victims of natural disasters, (ii) education and training support, (iii) public health assistance, (iv) public facilities, (v) religious facilities, (vi) environmental conservation aid, (vii) poverty alleviation aid and (viii) the improving capacity of the SMEs trained partners.



Kami meyakini kedua kegiatan yang dijalankan tersebut telah sejalan dengan berbagai tujuan pembangunan global dalam konsep SDGs, meliputi:

- Butir 1 - "Tanpa Kemiskinan - Mengakhiri kemiskinan dalam bentuk apapun di seluruh penjuru dunia."
- Butir 3 - "Kesehatan yang Baik dan Kesejahteraan - Menjamin kehidupan yang sehat dan mempromosikan kesejahteraan untuk seluruh masyarakat di segala usia."
- Butir 8 - "Pertumbuhan Ekonomi dan Pekerjaan yang Layak - Mendukung pertumbuhan ekonomi yang berkelanjutan dan inklusif, membuka kesempatan kerja seluas-luasnya, produktif serta menciptakan pekerjaan yang layak untuk semua."
- Butir 11 - "Keberlanjutan Kota dan Komunitas - Membangun kota-kota dan pemukiman yang inklusif, aman, berkualitas, berketahanan dan berkelanjutan."

DASAR HUKUM DAN KEBIJAKAN UMUM [G4-SO1]

DASAR HUKUM

Dasar hukum pelaksanaan kegiatan *Corporate Social Responsibility* diatur dalam peraturan Pemerintah ("PP") No.47/2012 tentang Tanggung Jawab Sosial dan Lingkungan Perseroan Terbatas, yang merupakan peraturan pelaksana dari ketentuan Pasal 74 UU No.40/2007 tentang Perseroan Terbatas.

Adapun dasar hukum pelaksanaan kegiatan PKBL telah diatur melalui Undang-Undang No.19 tanggal 19 Juni 2003 tentang BUMN, serta serangkaian Keputusan Menteri BUMN yang telah beberapa kali diubah, dengan yang terakhir adalah Peraturan Menteri Negara BUMN No.Per-09/MBU/07/2015 tanggal 3 Juli 2015 Tentang Program Kemitraan dan Program Bina Lingkungan Badan Usaha Milik Negara.

KEBIJAKAN UMUM [G4-DMA]

Kami telah menetapkan kebijakan umum pelaksanaan CSR melalui pemberlakuan peraturan Direksi No.PD.701.00/1.00/PR.000/COP-A3000000/2014 tanggal 14 Oktober 2014 tentang Pengelolaan Telkom *Corporate Social Responsibility* (Telkom CSR). Sehingga Program Telkom CSR terdiri dari Program Kemitraan ("PK"), Program Bina Lingkungan ("BL") dan CSR Public Relation ("CSR PR").

We believe these two activities are in line with a variety of global development objectives in the context of SDGs, including:

- Objective 1 - "No Poverty - End poverty in all its forms everywhere."
- Objective 3 - "Good Health and Well-Being - Ensure healthy lives and promote well-being for all at all ages."
- Objective 8 - "Economic Growth and Decent Work - Promote productive, inclusive and sustainable economic growth, broad employment opportunities, as well as create decent work for all."
- Objective 11 - "Sustainable Cities and Communities - create inclusive, safe, quality, resilient and sustainable cities."

LEGAL BASIS AND GENERAL POLICY [G4-SO1]

LEGAL BASIS

The legal basis for the implementation of Corporate Social Responsibility activities is stipulated in the Government Regulation ("GR") No. 47/2012 on Social and Environmental Responsibility of a Limited Liability Company, which is the implementing regulation of the provisions of Article 74 of Law No.40/ 2007 on Limited Liability Company.

While the legal basis for the implementation of the activities under the PCDP has been regulated by Law No.19 dated 19 June 2003 on SOE, as well as a series of Decree of the Minister of SOE that have been amended several times, with the last one is the Regulation of the Minister of SOE No.Per-09/MBU/07/2015 dated 3 July 2015 on the Partnership and Community Development Program of State-Owned Enterprises.

GENERAL POLICY [G4-DMA]

We have established a general policy on the CSR implementation through the enactment of the regulation of Board of Directors No.PD.701.00/1.00/PR.000/COP-A3000000/2014 dated 14 October 2014 on the Management of Corporate Social Responsibility of Telkom (CSR Telkom). Consequently, Telkom CSR Program consists of the Partnership Program ("*Program Kemitraan/PK*"), the Community Development Program ("*Bina Lingkungan/BL*") and the Public Relations CSR ("*CSR PR*").

Kebijakan Pengelolaan PKBL, mengacu pada KD.21/PR000/COP-B0030000/2010 tanggal 19 April 2010 tentang Pengelolaan Program Kemitraan dan Program Bina Lingkungan yang telah diganti dengan PD.702.00/r.00/PR000/CDC-A1040000/2015 tanggal 10 Desember 2015 tentang Pengelolaan Program Kemitraan dan Program Bina Lingkungan.

Strategi dan kebijakan Telkom CSR PR menjadi kewenangan sub Departemen Corporate Communication. Sedangkan PKBL menjadi kewenangan unit Community Development Center (“CDC”).

Selanjutnya, kami mengatur pelaksanaan fungsi kebijakan dan operasional Telkom CSR sebagai berikut:

- Penetapan Kebijakan Telkom CSR merupakan kewajiban Direktur Utama Telkom yang dalam pelaksanaan operasional dilakukan oleh unit CDC dan Sub Departemen Corporate Communication.
- Dalam pelaksanaan operasionalnya, Unit CDC dan Sub Departemen Corporate Communication dapat berkoordinasi dengan Unit Kerja dan entitas anak terkait.

Parameter Keberhasilan

Kami menetapkan beberapa parameter sebagai dasar untuk menilai keberhasilan pelaksanaan Program CSR-Telkom maupun PKBL, yakni:

- **CSR-Indeks.**
Mengukur pengaruh kegiatan CSR terhadap loyalitas pelanggan dan reputasi perusahaan. Di tahun 2016, CSR-Indeks ini menunjukkan nilai 70,18, yang berarti menggambarkan bahwa kegiatan CSR yang kami lakukan memberi pengaruh cukup kuat terhadap loyalitas pelanggan dan reputasi perusahaan.
- **Net Promoter Score - NPS**
Mengukur seberapa besar masyarakat menganjurkan untuk menggunakan produk Telkom sebagai dampak kegiatan CSR. Hasil pengukuran NPS tahun 2016:

The policy management of the Partnership and Community Development Program refers to KD.21/PR000/COP-B0030000/2010 dated 19 April 2010 on the Management of the PCDP which has been replaced by PD.702.00/r.00/PR000/CDC-A1040000/2015 dated 10 December 2015 on the Management of the Partnership and Community Development Program.

The strategy and policy of the CSR PR Telkom are under the authority of the sub Department of the Corporate Communication. On the other hand, the Partnership and Community Development Program is under the authority of the Community Development Center (“CDC”) unit.

Furthermore, we organize the implementation of policy and operational functions of Telkom CSR as follows:

- The enactment of Telkom CSR policies is under the authority of the CEO of Telkom which in the operational implementation is carried out by the CDC unit and Sub Department of Corporate Communication.
- In its operational implementation, the CDC Unit and Sub Department of Corporate Communication Department can coordinate with the Work Unit and related subsidiaries.

The parameters of success

We have set some parameters as the basis for assessing the success of the implementation of the CSR-Telkom Program as well as the Partnership and Community Development Program, namely:

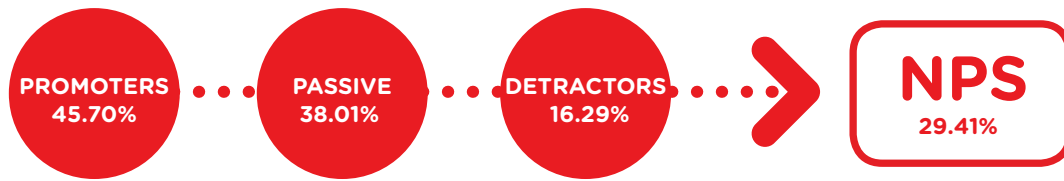
- **CSR-Index.**
To measure the impact of CSR activities on customer loyalty and company reputation. In 2016, the CSR-Index shows the value of 70.18, which illustrates that the CSR activities that we have done have the stronger effect on customer loyalty and company reputation.
- **Net Promoter Score - NPS**
To measure how often people recommend using Telkom products as the impact of CSR activities. NPS measurement results in 2016:

NPS Partnership Program



NPS = Promoters - Detractors

NPS Community Developing Program



- Efektivitas penyaluran dana Program Kemitraan.

Di tahun 2016 pencapaian tingkat efektivitas penyaluran dana Program Kemitraan adalah 98,64% dengan perolehan nilai 3, meningkat jauh lebih baik dibandingkan pencapaian tingkat efektivitas penyaluran tahun 2015, sebesar 90,28% dengan nilai 3.

- The effectiveness of the distribution of the Partnership

Program funds.

In 2016, the effectiveness level of the Partnership Program fund distribution is amounted to 98.64% with the acquisition value of 3, substantially increased compared to the effectiveness level of the distribution in 2015, which is amounted to 90.28% with a value of 3.

	Sumber Dana (Rp miliar) Sources of Fund (Rp billion)		
	2016	2015	2014
Jumlah dana disalurkan <i>The number of disbursed fund</i>	360,92	346,97	411,72
Jumlah dana tersedia <i>The number of available fund</i>	365,91	384,34	498,92
Tingkat efektivitas penyaluran dana <i>The effectiveness level of fund distribution</i>	98,64%	90,28%	82,52%
Skor tingkat efektivitas penyaluran dana <i>The score for the effectiveness level of fund distribution</i>	3	3	1

- Kolektabilitas pengembalian dana program Kemitraan.

Merupakan perbandingan antara rata-rata tertimbang kolektabilitas pinjaman terhadap jumlah pinjaman yang disalurkan (saldo pinjaman).

Untuk tahun 2016 pencapaian tingkat kolektabilitas pengembalian pinjaman Program Kemitraan tercatat sebesar 88,54% dengan pencapaian nilai maksimum 3, atau lebih tinggi dibandingkan tingkat kolektabilitas tahun 2015 sebesar 71,73% dengan nilai maksimum 3.

- Collectability of the Partnership program fund reimbursement.

A comparison between the weighted averages of the loan collectability to total outstanding loan (loan balance).

For 2016, the level of collectability of the Partnership Program fund reimbursement is listed at 88.54% with a maximum value of 3, or higher than the collectability level in 2015 amounted to 71.73% with a maximum value of 3.

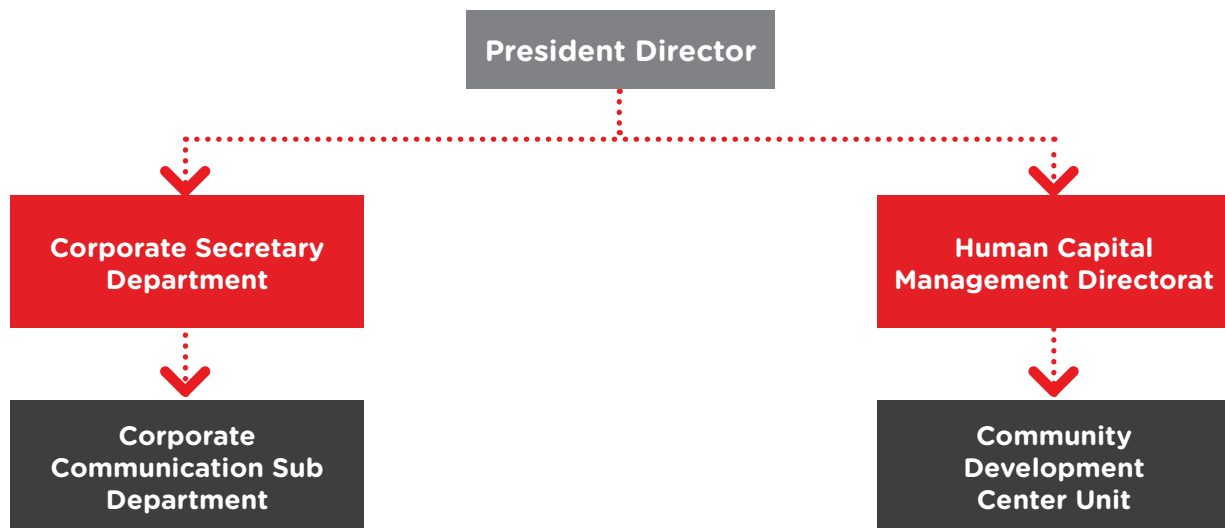
Tingkat Kolektabilitas Pengembalian Pinjaman Program Kemitraan <i>Collectability Level of Loan Repayment Partnership Program</i>	Tahun <i>Year</i>		
	2014	2015	2016
Tingkat kolektabilitas <i>Collectability Level</i>	82,02%	71,37%	88,54%
Skor Tingkat Kolektabilitas <i>Collectability Score Level</i>	3	3	3

STRUKTUR ORGANISASI PELAKSANA

Adapun gambaran struktur organisasi pelaksana CSR dan PKBL Telkom sesuai dengan kebijakan umum tersebut adalah sebagai berikut.

STRUCTURE OF THE IMPLEMENTING ORGANIZATION

The structure of the implementing organization of Telkom CSR and Partnership and Community Development Program in accordance with the general policy is as follows.



LINGKUP KEGIATAN DAN STRATEGI PELAKSANAAN PROGRAM TANGGUNG JAWAB SOSIAL

Dalam menjalankan CSR kami mengusung tema “Telkom Indonesia Untuk Indonesia” yang kami upayakan untuk mencapai masyarakat yang tercerahkan (*“enlightening society”*), yaitu masyarakat yang memperoleh kesejahteraan melalui kegiatan-kegiatan yang berlandaskan pada tiga pilar utama CSR yang sejalan dengan prinsip *“triple bottom line”* yakni:

SCOPE OF ACTIVITIES AND STRATEGIES OF SOCIAL RESPONSIBILITY PROGRAM

In carrying out CSR we use the theme “Telkom Indonesia For Indonesia” that we expect to reach enlightening society, which is the people who obtain welfare through activities that are based on the three main pillars of CSR in line with the principle of “triple bottom line” namely:



- Lingkungan Digital - Pengembangan, penyediaan dan pengelolaan infrastruktur telekomunikasi dan beragam fasilitas Teknologi Informasi dan Komunikasi (TIK) untuk mendukung dan menghubungkan seluruh aktivitas masyarakat, termasuk aktivitas pelestarian lingkungan hidup.
- Masyarakat Digital - Mendukung pemberdayaan komunitas melalui edukasi tentang pemanfaatan TIK secara optimal untuk memudahkan aktivitas kehidupan masyarakat sehari-hari.
- Ekonomi Digital - Pengembangan fasilitas TIK di berbagai layanan umum yang digunakan oleh masyarakat, serta dukungan terhadap usaha mikro dan menengah, terutama di sektor industri kreatif, terkait dengan optimalisasi pemanfaatan TIK.
- Digital Environment - Development, provision and management of telecommunications infrastructure and various Information and Communication Technology (ICT) facilities to support and connect the entire activities of the community, including environmental preservation activities.
- Digital Society - Supporting community empowerment through education about the optimal use of ICT to facilitate daily activities of the community.
- Digital Economy - Development of ICT facilities in various common services used by the public, as well as support for micro and medium enterprises, especially in the creative industries sector, in relation with the optimization of the use of ICT.

ALOKASI ANGGARAN

Anggaran CSR-Telkom, ditetapkan melalui Peraturan Direksi No.PD.701.00/2014 tanggal 14 Oktober 2014, berasal dari beban operasional Perusahaan yang tercatat sebagai anggaran CSR. Total dana yang telah direalisasikan untuk tahun 2015 adalah sebesar Rp18,25 miliar, sedangkan untuk tahun 2016 yang direalisasikan adalah sebesar Rp19,26 miliar.

BUDGET ALLOCATION

Telkom CSR budget, established by the Regulation of Board of Directors No.PD.701.00/2014 dated 14 October 2014, is derived from the Company's operating expenses that was listed as CSR budget. Total fund that has been realized for 2015 is Rp18.25 billion, while for 2016 the total realization is Rp19.26 billion.

Alokasi Anggaran Budget Allocations	Sumber Dana (Rp miliar) Source of Funds (Rp billion)	
	2016	2015
Telkom CSR (PR)	19,26	18,25

Alokasi dana kegiatan PKBL, sebagaimana ditetapkan oleh Kementerian BUMN, berasal dari penyisihan laba perusahaan. Adapun realisasi penyaluran dana PKBL untuk tahun 2016 dan 2015 adalah sebagai berikut.

The fund allocation of the Partnership and Community Development Program activities, as established by the Ministry of SOE, derived from the appropriation for profit of the company. The realization of fund disbursement for 2016 and 2015 are as follows.

No.	Jenis Program Type of Program	2016 (Rp Miliar) (Rp billion)	2015 (Rp Miliar) (Rp billion)	% Perubahan Changes
1	Program Kemitraan Partnership program	360,92	346,97	5,9
2	Bina Lingkungan Community Development	81,97	72,41	13
Jumlah Total		442,89	413,37	7,1

REALISASI PROGRAM DAN KEGIATAN

REALISASI PROGRAM CSR-TELKOM

Berbagai program CSR-Telkom di tahun 2016 adalah sebagai berikut :

a. Indonesia *Digital Learning* (IDL) & *My Teacher My Hero*

Indonesia *Digital Learning* (IDL) 2016 merupakan sebuah program lanjutan dari IDL 2014-2015 yang merupakan komitmen Telkom Indonesia di bidang pendidikan dengan upaya pelatihan guru-guru di bidang digital guna mewujudkan pembelajaran berbasis digital di sekolah sehingga terbentuk *DIGITAL SOCIETY* di kalangan guru.

My Teacher My Hero merupakan program apresiasi dari Telkom Indonesia untuk guru-guru Indonesia yang menerapkan pembelajaran digital. Guru-guru ini (2.400 guru) sebelumnya telah diberi pembekalan digital melalui seminar Indonesia *Digital Learning*.

Dari 2.400 guru tersebut, selanjutnya akan dipilih 17 orang guru dengan standar penilaian UNESCO, yang pada akhirnya akan terpilih 8 orang guru *My Teacher My Hero*.

Salah satu teladan Program *My Teacher My Hero* adalah Posma Sihombing – Pemenang Indonesia *Digital Learning* – 2016.

One of the examples from My Teacher My Hero Program is Posma Sihombing – the Winner of the Indonesia Digital Learning - 2016.



POSMA SIHOMBING

Pemenang Indonesia Digital Learning 2016
Kategori Guru 3T
The Winner of Indonesia Digital Learning
2016. Category 3T Teacher.

A teacher is a servant who is sensitive to the needs of students.

A Teacher is a servant who carries a noble task as a calling.

Although in the 3T area, digital touch should still be applied in each learning process.

***Guru adalah pelayan yang peka terhadap kebutuhan siswa.
Guru adalah pelayan yang megemban tugas mulia karena panggilan jiwa.
Meskipun di daerah 3T, sentuhan digital harus tetap diaplikasikan dalam tiap pembelajaran.***

REALIZATION OF PROGRAM AND ACTIVITIES

REALIZATION OF CSR-TELKOM PROGRAM

Various CSR-Telkom programs in 2016 are as follows:

a. Indonesia *Digital Learning* (IDL) & *My Teacher My Hero*

Indonesia Digital Learning (IDL) 2016 is a continuation program from IDL 2014-2015 which reflects Telkom Indonesia's commitment in the field of education through teachers training in the digital field in order to realize the digital-based learning in schools to establish a *DIGITAL SOCIETY* among the teachers.

My Teacher My Hero is an appreciation program from Telkom Indonesia Indonesian teachers that implement digital-based learning. These teachers (2,400 teachers) were given a digital debriefing in Indonesia Digital Learning Seminar.

From 2,400 teachers, 17 teachers will then be chosen by using the UNESCO Evaluation Standard, At the FINAL stage, 8 teachers will be selected as *My Teacher My Hero*.

b. Pustaka Digital



PaDi
Pustaka Digital

PT Telekomunikasi Indonesia memperkenalkan **1.000 PaDi** (Pustaka Digital)

Sebuah program **Digital Learning Corner** yang direalisasikan dalam bentuk kumpulan Pustaka Digital (eBook)

Berisi buku terbitan Balai Pustaka, Mizan dan penerbit-penerbit lainnya

PT Telekomunikasi Indonesia introduces 1000 PaDi (Digital Library)

A Digital Learning Center program that was realized in the form of Digital Library (eBook) Collection

Consists of books published by Balai Pustaka, Mizan and other publishers

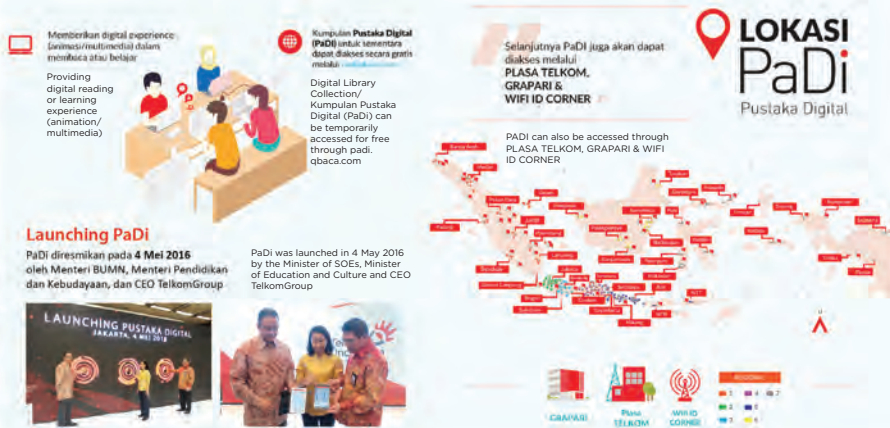
Dengan adanya program PaDi diharapkan dapat memunculkan minat baca dan belajar masyarakat

Membuka akses sumber-sumber pengetahuan

It is expected that with PaDi the reading and learning interest of society will develop

Opening the access to the sources of knowledges

b. Digital Library



Memberikan digital experience (animasi/multimedia) dalam membaca atau belajar

Providing digital reading or learning experience (animation/multimedia)

Kumpulan Pustaka Digital (PaDi) untuk sementara dapat diakses secara gratis melalui qbaca.com

Digital Library Collection/ Kumpulan Pustaka Digital (PaDi) can be temporarily accessed for free through padi.qbaca.com

Selanjutnya PaDi juga akan dapat diakses melalui **PLASA TELKOM, GRAPARI & WIFI ID CORNER**

PAADI can also be accessed through **PLASA TELKOM, GRAPARI & WIFI ID CORNER**

LAUNCHING PaDi

PaDi diresmikan pada **4 Mei 2016** oleh Menteri BUMN, Menteri Pendidikan dan Kebudayaan, dan CEO TelkomGroup

PaDi was launched on 4 May 2016 by the Minister of SOEs, Minister of Education and Culture and CEO TelkomGroup

c. Telkom Group Berbagi 2016

Dalam rangka menyemarakkan Ramadhan dan menyambut Idul Fitri 1437H, Telkom menghadirkan berbagai kegiatan dengan nama Program Telkom Group Berbagi, meliputi:

- o Telkom Group Safari Ramadhan 2016, dengan kegiatan pemberian santunan kepada 3.000 anak yatim.
- o Pasar Murah
Dilakukan dalam rangka Safari Ramadhan BUMN, menyediakan dan menjual 29.000 paket sembako dengan harga murah serentak di 29 Kabupaten/kota Indonesia, serta buka bersama dengan 3.000 anak yatim piatu.














c. Telkom Group Sharing 2016

To embellish Ramadhan and Eid 1437H, Telkom presents various activities under the name of Telkom Group Sharing Program, which includes:

- o Telkom Group Ramadhan Safari 2016, with a charity program of providing aids to 3,000 orphans.
- o Bazaar
Held under the *Safari Ramadhan* of SOE, the Bazaar provided and sold 29,000 packages of basic needs at cheap prices simultaneously in 29 districts/cities in Indonesia, and held break fasting with 3,000 orphans.

d. BUMN Hadir untuk Negeri-Peringatan HUT RI ke 71

d. SOE for The Nation - 71st Anniversary of RI

 <p>BUMN Mengajar Para Direksi BUMN tampil menjadi guru untuk menginspirasi, dan memotivasi para siswa melalui berbagai cerita tentang industrinya.</p> <p>SOE To Teach Directors of SOEs perform as teachers to inspire and motivate students through a variety of stories about their industries</p>	 <p>Pasar Murah Penyerahan bantuan pada warga kurang mampu dan warga difabel dalam bentuk satu paket sembako</p> <p>Low-Priced Market Distribution of aids to the less fortunate and the disabled in the form of food packages</p>	 <p>Pembinaan Desa Terpencil Pembuatan gapura desa, pembinaan warga dan pembangunan sarana komunikasi</p> <p>Development of Remote, Border and Conflict-Prone Villages Village gate establishment, community development and communication infrastructure development</p>
 <p>Bedah Rumah Veteran Wujud penghargaan kepada warga negara yang pernah bergabung dalam satuan bersenjata resmi yang diakui oleh pemerintah serta turut aktif dalam pertempuran membela NKRI</p> <p>Renovation of Houses Program Tribute to the citizens who joined the armed units officially recognized by the government and actively participated in battles defending the Unitary State of the Republic of Indonesia</p>	 <p>Siswa Mengenal Nusantara Penanaman rasa bangga sebagai warga negara yang memiliki keragaman kekayaan Nusantara</p> <p>Archipelago Awareness for Students The instillation of a sense of pride as citizen shaving a richness diversity of the Archipelago</p>	 <p>Pembinaan Mantan Narapidana Motivasi bisnis dan penyuluhan mental untuk membangkitkan semangat para narapidana</p> <p>Consultation for Ex-Convicts Business motivation and mental counseling to encourage ex-convicts</p>
 <p>Pembangunan Tempat Penitipan Anak Pembangunan sarana untuk TPA, dilengkapi dengan berbagai fasilitas, seperti tempat bermain, pustaka anak, sarana belajar serta ruang menyusui.</p> <p>Establishment of Daycare Center Construction of facilities for a daycare center, equipped with various facilities such as a playground, children's library, learning facilities and nursing area</p>	 <p>Penyediaan Sarana Air Bersih dan Cuci Kakus Pembangunan Sarana Air Bersih dan MCK di beberapa tempat untuk meningkatkan derajat kesehatan masyarakat melalui penyediaan santasi yang lebih higienis</p> <p>Provision of Clean Water Facilities and Public Toilets (Mandi Cuci Kakus) Construction of Clean Water Facilities and Public Toilets (Mandi Cuci Kakus/MCK) in several places to improve public health through the provision of more hygienic sanitation facilities</p>	 <p>Pembinaan Mantan Atlet Nasional Pembinaan mantan atlet nasional berupa pendampingan dan monitoring selama 6 bulan serta pemberian bantuan total 100 juta rupiah</p> <p>Consultation for Ex-Athletes Consultation for Ex-Athletes in the form of mentoring and monitoring for a period of 6 months and providing assistance of a total of 100 million Rupiah</p>
 <p>Elektrifikasi Rumah Tangga Pemasangan instalasi listrik sebanyak 14 rumah serta memberikan bantuan biaya token selama 1 tahun.</p> <p>Household Electrification Electrical installation in 14 houses and provision of assistance of electricity token for 1 year</p>	 <p>Bantuan Bencana Alam Bantuan musibah banjir bandang di sebagian wilayah Garut dan Kabupaten Sumedang, Jawa Barat.</p> <p>Natural Disaster Aids Aids for flash floods in some areas of Garut and Sumedang Regency, West Java</p>	 <p>Bantuan Tempat Ibadah Penyaluran bantuan dalam berbagai bentuk perbaikan maupun pembangunan sarana ibadah di seluruh wilayah kerja Telkom Indonesia.</p> <p>Aid for Prayers Facilities Distribution of aids in various forms of repair and construction of prayers facilities across the working areas of Telkom Indonesia</p>
 <p>Service 1000 HP Gratis Dalam rangka BUMN Hadir Untuk Negeri dan Siaga Natal dan Tahun Baru 2016, Telkom mengadakan kegiatan service 1000 Handphone Gratis sebagai bentuk program CSR untuk masyarakat umum. Kegiatan ini berhasil mencatat rekor baru dalam Museum Rekor MURI Indonesia.</p> <p>Free repairs for 1000 mobile phones In support of the SOE for the Nation (BUMN Hadir untuk Negeri) and the 2016 Christmas and New Year Securities (Siaga Natal dan Tahun Baru 2016) programs, Telkom held an event of Free Repair Services for 1000 Mobile Phones (Service 1000 Handphone Gratis) as part of its CSR program for the general public. The event sets a new record at the Indonesian Museum of Records.</p>		





BUMN Hadir Untuk Negeri - Rumah Kreatif BUMN

SOE For the Nation - SOE Creative House

Dalam program Rumah Kreatif BUMN, Telkom Group memberikan dukungan berupa pelatihan digitalisasi bisnis melalui platform e-commerce, www.blanja.com. Dengan adanya Rumah Kreatif BUMN, Telkom berharap pelaku UMKM dapat memanfaatkan platform yang sama untuk memasarkan produk UMKM binaan dan produk masing-masing BUMN.

In the program of SOE Creative House, Telkom Group gave the support in the form of the training of business digitalization to the platform of e-commerce, www.blanja.com. With this SOE Creative House, Telkom expected the actors of UMKM to be able to utilize the same platform to sell the products of partnered UMKM and the products of each SOE.

e. Program BUMN untuk Negeri lainnya (Disability Care)

e. Other "BUMN Hadir Untuk Negeri" programs (Disability Care)

MoU antara Kemenaker dan KBUMN untuk mempekerjakan para Difabel di lingkungan BUMN. Telkom Group sudah mempekerjakan karyawan berkebutuhan khusus (Tuna Daksa) sejak tahun 2014 hingga saat ini berjumlah 14 orang.
MoU between Ministries of Manpower and SOE to employ the Disabled in the SOE.
TelkomGroup has hired 14 employees with special needs since 2014 until now.

Bekerjasama dengan DEPNAKER serta organisasi penyandang disabilitas (PPDI, PERTUNI, dan PERTRI) Bekerjasama dengan Kick Andy Foundation dalam rangka mengkomunikasikan program ini kepada publik.
In cooperation with the Ministry of Manpower and DPOs (PPDI, PERTUNI, and PERTRI).
In cooperation with the Kick Andy Foundation to communicate this program to the public.



Merupakan program CSR Telkom dalam rangka BUMN Hadir untuk Negeri bagi kaum Difabel, dimana Telkom bersama BUMN lain memberikan bantuan kepada komunitas Difabel dalam rangka mempersiapkan tenaga siap paket.

A CSR Telkom program under the "BUMN Hadir Untuk Negeri" for the Disabled, in which Telkom with other State-Owned Enterprises provide assistance to Disabled community in order to produce ready-made work force.

Bantuan yang diberikan mencakup:

- Alat bantu disabilitas
- Pelatihan dan sertifikasi (termasuk I-CHAT)

Assistance provided, including:

- Assisting tools for the disabled
- Training and Certification (including I-CHAT).

Awarding GANTARI bagi para Difabel yang menginspirasi & berkontribusi pada lingkungan dan masyarakat

Awarding GANTARI for the Disabled who is inspiring and contributing to the environment and society.

REALISASI PROGRAM PKBL-TELKOM

Program PKBL-Telkom di tahun 2016 terdiri dari:

1. Program Kemitraan
2. Program Bina Lingkungan

PROGRAM KEMITRAAN [G4-EC8]

Merupakan program pemberdayaan kompetensi ekonomi kaum marginal untuk meningkatkan pendapatan melalui kegiatan usaha skala mikro, kecil dan menengah, dilakukan dengan memberikan dana pinjaman berbunga rendah yang disisihkan dari sebagian laba usaha BUMN. Program pemberdayaan ekonomi kaum marginal dilakukan melalui program (1) pemberian dana pinjaman lunak; (2) pelatihan kewirausahaan; dan (3) pengembangan kreativitas kepada para Mitra Binaan yang bergerak dalam usaha kecil menengah dan koperasi (UKM-K).

REALIZATION OF PCDP-TELKOM

PCDP-Telkom programs in 2016 consists of:

1. Partnership Program
2. Community Development Program

PARTNERSHIP PROGRAM [G4-EC8]

An economic competence empowerment program for marginal groups to increase their income through micro, small and medium business enterprises, which is done by providing low-interest loan from most of the operating profit of State-Owned Enterprises. The economic empowerment program for the marginal group is conducted through programs, such as (1) soft loans; (2) entrepreneurship training; and (3) the development of creativity of the partners who engaged in small and medium enterprises and cooperatives.

Program Kemitraan juga merupakan wujud implementasi Pilar - Profit dari Strategi *Triple Bottom Line* CSR Telkom. Total dana yang kami alokasikan di tahun 2016 adalah sebesar Rp360,92 miliar dan telah disalurkan kepada 10.956 Mitra Binaan.

The Partnership Program is also a form of implementation of one of the Pillars, "Profit", from the Telkom CSR Triple Bottom Line Strategy.

Total funds that we allocated in 2016 amounted to Rp360.92 billion and has been distributed to 10,956 partners.

Peningkatan Kualitas Pengelolaan Program Kemitraan

Quality Improvement of the Partnership Program Management

Untuk meningkatkan kualitas pengelolaan Program Kemitraan, pada tahun 2016 kami memfokuskan pelaksanaan 3 kegiatan utama: Digitalisasi Pengelolaan Program Kemitraan, Pelatihan Digital bagi Mitra Binaan serta mengikutkan Mitra Binaan pada pameran berskala Nasional dan Internasional

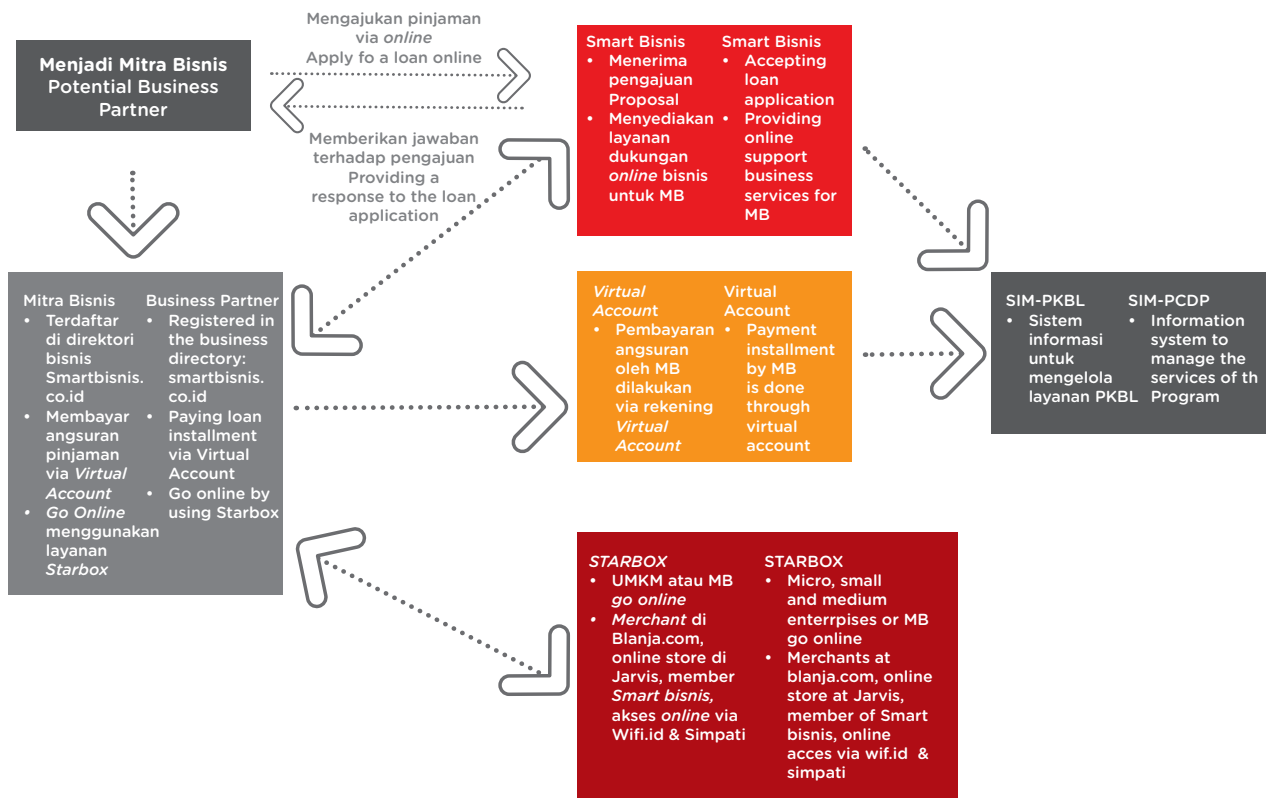
To improve the quality of the Partnership Program management, in 2016 we focused on the implementation of three main activities: digitizing partnership program management, digital training for the partners as well as to involve the partners at national and international exhibitions.

1. Digitalisasi Pengelolaan Program Kemitraan

Sejak implementasi Sistem Informasi Manajemen (SIM) PKBL pada tahun 2007, Telkom telah menggunakan Teknologi Digital dalam mengelola data Mitra Binaan dalam Program Kemitraan. Mulai tahun 2016 Telkom mengimplementasikan layanan pengajuan pinjaman dana PK melalui **web smartbisnis**, pembayaran angsuran melalui **virtual account** yang semuanya bertujuan untuk menjamin transparansi dan akuntabilitas dalam pengelolaan dana Program Kemitraan.

1. Digitization Partnership Program Management

Since the implementation of the Management Information System (MIS) Partnership in 2007, Telkom has used digital technology to manage partners' data in the Partnership and Community Development Program. Starting in 2016, Telkom has implemented loan application services under the Partnership and Community Development Program through **web smartbisnis** websites, payments installment through virtual accounts that aims at ensuring transparency and accountability in funding management of the Partnership and Community Development Program.



Bagan - Konfigurasi Sistem Informasi Pengelolaan Program Kemitraan

Aplikasi pendukung dari Sistem Digitalisasi Program Kemitraan adalah:

- Smartbisnis: aplikasi layanan pengajuan bantuan dana PK berbasis digital yang dapat diakses oleh masyarakat luas melalui web smartbisnis. Melalui aplikasi ini pengajuan bantuan dana PK dapat dilakukan setiap saat tanpa harus datang langsung ke kantor Telkom. Penyaluran dana Program Kemitraan melalui Smart bisnis disalurkan kepada 7.171 mitra binaan sejak diimplementasikan pada awal tahun 2016.
- Telkom juga telah menerapkan pembayaran angsuran berbasis digital melalui *virtual account*, dimana mitra binaan dapat melakukan pembayaran melalui semua *channel* pembayaran Bank antara lain: ATM, *mobile banking*, *internet banking*, transaksi antar Bank dan loket layanan Bank tanpa harus mendatangi ke kantor Telkom. Sebanyak 33.983 mitra binaan saat ini telah memanfaatkan fasilitas *virtual account*.



2. Pelatihan UKM Digital, Jalan Menuju Global Market

Pelatihan ini kami selenggarakan sejak tahun 2015, diberikan dalam rangka membantu mitra binaan mempromosikan dan memasarkan produknya memasuki pasar global dengan memanfaatkan fasilitas website *blanja.com*. Kami juga menyelenggarakan pelatihan *export* agar mitra binaan mengetahui prosedur dan persyaratan perdagangan lintas negara (global).

Pada tahun 2016 pelatihan diberikan kepada 1.871 UKM termasuk 92 UKM diantaranya adalah mitra binaan.

Diagram - Information System Configuration of the Partnership Program Management

Supporting application of the Partnership Program Digitizing System are:

- Smartbisnis: digital-based application that provides publicly accessible Partnership Program's fund submission services via smartbisnis website. Through this application, Partnership Program's financial assistance can be proposed at any time without having to come directly to Telkom offices. Distribution of funds of the Partnership Program that is distributed to 7,171 partners since its implementation in early 2016.
- Telkom has also implemented digital-based installment payments through a virtual account, where the partners can make payments through all Banking payment channels, such as: ATM, mobile banking, internet banking, interbank transactions and banks' service counters without having to go to the Telkom offices. Currently a total of 33,983 partners have used virtual account facility.



2. Digital Training for SME, The Path to Global Market

We held the training since 2015, it is provided to help the partners to promote and market their products to the global market by utilizing *blanja.com* website. We also conducted export training in order for the partners to know the procedures and requirements of global trade.

Since 2015 the training given to 1,871 SMEs, including 92 of which are the partners.



3. Pameran *Sail To Karimata*, Bertemu Dengan *International Buyers*

Tahun 2016 Telkom memfasilitasi mitra binaannya untuk berpartisipasi pada ajang pameran berskala internasional *Sail to Karimata*, yang diselenggarakan oleh Departemen Maritim dan Kelautan, yang diikuti oleh para pelaku usaha dari dalam dan luar negeri. Kebersertaan keempat dari program sejenis ini meliputi (1) Labuan Bajo, (2) Raja Ampat, (3) Tomini, dan (4) Karimata.

Pengembangan Kompetensi Ekonomi Masyarakat [G4-EC8]

Salah satu cara meningkatkan kesejahteraan dan menghilangkan ketimpangan pendapatan adalah meningkatkan kompetensi ekonomi kaum marginal dengan memberi kesempatan pengembangan usaha mikro, kecil dan menengah se-optimal mungkin. Untuk itu, kami merealisasikan program pemberdayaan ekonomi masyarakat melalui tiga kegiatan utama yang ditujukan untuk membantu peningkatan kompetensi para mitra binaan yang bergerak dalam usaha kecil menengah dan koperasi (UKM-K), yakni: (1) pemberian dana pinjaman lunak, (2) pelatihan kewirausahaan, dan (3) pengembangan kreativitas.

Sasaran program pengembangan kompetensi ekonomi ini adalah pelaku UKM, berupa wirausaha perorangan maupun koperasi yang bergerak di berbagai sektor usaha, meliputi: industri, perdagangan, pertanian, peternakan, perkebunan, perikanan, jasa dan sektor lainnya.

1. Pemberian Dana Pinjaman Lunak

Kami menyalurkan dana pinjaman lunak kepada pengusaha mikro untuk memicu pertumbuhan potensi ekonomi masyarakat dengan mengedepankan pendekatan *bottom-up intervention*. Guna meningkatkan efektifitas pengelolaan dan pengawasan serta mengoptimalkan hasil Program Kemitraan, Telkom lebih memprioritaskan pola penyaluran melalui klaster-klaster usaha tertentu,

3. *Sail To Karimata Exhibition, Meeting International Buyers*

In 2016, Telkom facilitates its partners to participate in the international exhibition *Sail to Karimata*, organized by the Coordinating Ministry for Maritime Affairs, which was attended by national and foreign entrepreneurs. The participation in the similar program consists of (1) Labuan Bajo, (2) Raja Ampat, (3) Tomini, and (4) Karimata.

Community Economic Competence Development [G4-EC8]

One of the ways to improve welfare and eliminate income inequality is through increasing the economic competence of marginal groups by providing opportunities for micro, small and medium enterprises to optimally develop. Therefore, we realized the economic empowerment program through three main activities that were aimed to help increase the competence of the partners who were engaged in small and medium enterprises and cooperatives (SME-K), namely: (1) the provision of soft loans, (2) entrepreneurship training, and (3) the development of creativity.

The target of this economic competence development program is small and medium enterprises, in the form of individual entrepreneurs or cooperatives that engaged in various business sectors, including: industry, trade, agriculture, animal husbandry, plantation, fisheries, service industry and other sectors.

1. Provision of Loan Funds

We distributed soft loans to micro-entrepreneurs to trigger the growth of the economic potential of the community by promoting bottom-up intervention. To increase the effectiveness of the management and supervision as well as to maximize the results of the Partnership Program, Telkom prioritized distribution patterns through specific business

dengan harapan terciptanya kerja sama antar dan kebersamaan antar mitra binaan, memudahkan pertukaran pengetahuan, memudahkan evaluasi dan pengawasan penggunaan pinjaman dalam mengembalikan dana pinjaman lunak.

Total mitra binaan penerima dana pinjaman lunak di tahun 2016 adalah 10.956 mitra binaan yang tersebar di 34 provinsi Indonesia. Penyaluran dana program kemitraan mayoritas tertuju pada sektor usaha di bidang perdagangan sebesar Rp203,48 miliar, diikuti oleh sektor jasa Rp61,52 miliar dan sektor industri Rp60,92 miliar. Sebagian besar dari mitra binaan tersebut tergabung dalam klaster-klaster usaha tertentu yang dikembangkan di beberapa wilayah CDC sesuai area operasional Telkom.

Berikut data realisasi jumlah mitra binaan dan Penyaluran dana per sektor usaha dari tahun 2014 sampai dengan tahun 2016:

clusters, in the hope that by creating cooperation and unity between the partners, the exchange of knowledge, evaluation process and supervision of the use of the loan to return the soft loan will be facilitated.

The number of soft loan recipient partners in 2016 is was 10,956 partners which were scattered in 34 provinces of Indonesia. The distribution of the fund of the partnership program was mostly focused on trade which reached the amount of Rp203.48 billion, followed by the service sector Rp61.52 billion and the industrial sector Rp60.92 billion. Most of the partners were joined in certain business clusters that were developed in some CDC regions in accordance with Telkom operational area.

The data for the number of partners and the fund distribution per business sector from 2014 to 2016 is as follows:

No.	Sektor Usaha <i>Business Sector</i>	Jumlah Mitra Binaan <i>Number of Partners</i>			Total Penyaluran (Rp miliar) <i>Fund Distribution (Rp billion)</i>		
		2016	2015	2014	2016	2015	2014
1	Industri <i>Industry</i>	1.784	1.895	2.183	60,92	56,37	70,50
2	Perdagangan <i>Trade</i>	6.371	6.972	6.675	203,48	193,97	206,22
3	Pertanian <i>Agriculture</i>	200	229	222	7,18	6,77	6,72
4	Peternakan <i>Animal Husbandry</i>	351	429	428	13,29	12,81	14,83
5	Perkebunan <i>Plantation</i>	201	207	203	5,40	5,56	6,36
6	Perikanan <i>Fisheries</i>	276	333	296	7,97	9,21	9,75
7	Jasa <i>Service industry</i>	1.751	1.896	2.116	61,52	55,32	70,27
8	Lain-lain <i>Others</i>	22	20	40	1,16	0,95	11,77
	Jumlah Total	10.956	11.981	12.163	360,92	340,96	396,42
	CAGR (%)	-8,56 %	-1,50		5,85 %	-13,93%	

Jumlah penerima dana program kemitraan tahun 2016 turun 8,56% dibandingkan tahun 2015, sedangkan jumlah dana yang disalurkan pada tahun 2016 mengalami peningkatan sebesar 5,85% dengan demikian rata-rata jumlah pinjaman tahun 2016 lebih besar dari tahun sebelumnya.

The number of beneficiaries of the partnership program in 2016 was down by 8.56% compared to the number in 2015 and so did the amount of disbursed funds was that decreased by 5.85% compared to the previous year.

2. Meningkatkan Kompetensi Kewirausahaan

Program pelatihan kewirausahaan berlangsung di seluruh wilayah operasional Telkom dengan tujuan meningkatkan kompetensi para mitra binaan dalam mengelola dan memajukan bisnis yang dijalani. Untuk tahun 2016, kami mengeluarkan realisasi sebesar Rp8,39 miliar untuk pembinaan mitra binaan.

Modul-modul pelatihan yang dilaksanakan meliputi: modul motivasi bisnis, manajemen kewirausahaan, manajemen keuangan dan analisa biaya, manajemen pemasaran dan aplikasi ICT dalam bisnis mikro. Pada tahun 2016 kami juga mengintrodusir **Pelatihan UKM Digital** sebagaimana telah dijelaskan sebelumnya.

3. Peningkatan Manajemen Pemasaran

Kami memberikan bantuan pembinaan berupa promosi dan pemasaran, dengan mengikutsertakan mitra binaan dalam berbagai kegiatan pameran baik yang berskala nasional maupun internasional. Kami juga membantu promosi produk mitra binaan agar bisa berpartisipasi dalam pasar global melalui online store (<http://www.blanja.com>). Pada tahun 2016 kami memperkenalkan Pameran *Sail to Karimata*, seperti telah dijelaskan sebelumnya.

Telkom kembali menyelenggarakan program pendampingan (*Coaching Program*) bekerja sama dengan Balai Besar Pendidikan dan Pelatihan Ekspor Indonesia (BBPPEI) Direktorat Jendral Pengembangan Ekspor Nasional (DJPEN) Kementerian Perdagangan. Tujuannya adalah agar para UKM mitra binaan mampu menjalankan bisnis berbasis pasar ekspor secara efektif, dengan kualitas yang baik sesuai dengan permintaan pasar luar negeri.

4. Merealisasikan Potensi Ekonomi Kreatif

Program ini mengandalkan pengembangan dan penggalan kreativitas masyarakat dalam merintis dan mengembangkan potensi ekonomi dan bisnis dengan basis aplikasi teknologi TIMES yang kami kelola. Kami mendesain dua program utama untuk menggali potensi ekonomi kreatif ini. Pertama, program *Indigoincubator* dan kedua adalah program *Indigo-accelerator*.

Program *Indigo-incubator* kami rancang khusus untuk *startup* baru yang sedang dalam tahap penggalan ide dan penggodokan gagasan. Fokusnya adalah menjangkau *startup* yang masih dalam tahap ide, prototipe, atau baru melewati tahap pematangan model bisnis.

2. Entrepreneurship Competence Improvement

Entrepreneurship training program took place in all Telkom operational areas with the aim of improving the competence of the partners in managing and promoting the business undertaken. In 2016, we issued a realization of Rp8.39 billion for partners' development.

Training modules included: business motivation modules, entrepreneurial management, financial and cost analysis management, marketing management and ICT applications in micro-businesses. In 2016 we also introduced the **SME Digital Training** as it has been described previously.

3. Marketing Management Improvement

We provided coaching support in the form of promotion and marketing, by engaging the partners in various exhibitions both at national and international levels. We also assisted the promotion of products of the partners in order for them to participate in the global market through online store (<http://www.blanja.com>). In 2016 we introduced *Sail to Karimata* exhibition, as previously described.

Telkom also held coaching program in cooperation with the Indonesian Center for Export Education and Training (BBPPEI) Directorate General of National Export Development (DJPEN) Ministry of Trade. The purpose of the program is for the SMEs to effectively conducting business based on the export market, with good quality in accordance with foreign market demands.

4. Realizing the Potential of Creative Economy

This program relies on the development and exploration of the creativity of the community in pioneering and developing the economic and business potentials by using TIMES technology-based application that we run. We designed two major programs to explore the potential of the creative economy. First, the *Indigoincubator* program and secondly, the *Indigo-accelerator* program.

The *Indigo-incubator* program was specially designed for new startup which is under the phase of idea formulation. The focus was to capture startups which are still in the phase of ideas, prototypes, or those who just come out from the phase of business model formulation.

Selanjutnya program *Indigoaccelerator* ditujukan untuk *startup* yang sudah memiliki produk lebih matang, sudah memiliki pengguna dan mampu menghasilkan *revenue*, sehingga siap ekspansi pasar dan akselerasi. Program dari *indigoaccelerator* terdiri dari perencanaan hingga program aksi.

Untuk tahun 2016, Program Indigo diikuti oleh hampir 700 *startups*. Beberapa *startups* berhasil meraih sukses di pasar, sehingga turut memberdayakan portofolio bisnis Telkom dan mendapatkan investasi lanjutan dari investor eksternal. Contoh *startups* tersebut meliputi: di segmen UKM (*startup*: Jarvis, Run System), *mobile* (*startup*: Kakatu, Siji), *enterprise* (*startup*: Goers, Privygate). Beberapa *startups* lain sedang dalam proses komersialisasi di kalangan Telkom Group; tiga dari *startup* kami telah mendapatkan peminat dari pihak investor eksternal terkait pendanaan.

Furthermore, the Indigoaccelerator program aims at startups that have a more mature product, have users and are able to generate revenue, allowing it to be ready for market expansion and acceleration. The Indigoaccelerator programs consist of planning to action-oriented programs.

For 2016, the Indigo Program is joined by nearly amount to 700 startups. Some startups were successful in the marketplace, thereby helped empower Telkom business portfolio and get an additional investment from external investors. Examples of these startups include: in the SME segment (*startup*: Jarvis, Run System), mobile (*startup*: Kakatu, Siji), enterprise (*startup*: goers, Privygate). Several other startups were in the process of commercialization in the Telkom Group. Three of our startups have gained interests in terms of funding from external investors.

Telkom Bangga Antar Mitra UKM Jadi Bankable

BANDUNG, 26 Oktober 2016 - Berangkat dari Program Kemitraan dan Program Bina Lingkungan (PKBL), *Community Development Center* (CDC) Telkom Regional-3 Jawa Barat terus dan selalu melakukan pengembangan serta pembinaan terhadap para pelaku Usaha Mikro Kecil (UKM) sejak dari awal merintis usaha hingga mampu tumbuh menjadi pelaku UKM yang *bankable*, sebagaimana dialami Iwan, perajin khas miniatur binatang dengan teknik solder di kawasan Cikole Lembang Kabupaten Bandung Barat.

Ditemui di sanggar Karya Ciptanya, Iwan Herawan (47) yang telah sukses tampil sebagai pengusaha Mandiri binaan Telkom menuturkan bahwa pelajaran hidup dan kepintarannya membaca situasi mengantarnya merengkuh cita-cita sebagai pengusaha. Dari seorang pedagang asongan, kini telah memiliki *showroom* di Tangkubanparahu tempat memajangkan lebih dari 50 item berbagai produk miniatur binatang hasil kreasinya.

Iwan menuturkan, usahanya mulai dirintis pada 1990 dengan modal alakadarnya, sekira Rp300 ribu hasil usaha berdagang. Modal itu dia belanjakan perkakas seperti solder, kayu, dan ampelas.

Saat itu dia tidak punya pilihan selain membuka usaha sendiri karena keinginannya untuk kuliah tidak kesampaian. Dia sempat mengecap bangku kuliah beberapa bulan di Universitas Padjadjaran namun terpaksa ditinggalkan karena tidak ada biaya. Ide awal membuat miniatur

Telkom Proud to Make SME Partners Bankable

BANDUNG, October 26, 2016 - Starting from the Partnership and Community Development Program (Program Kemitraan dan Bina Lingkungan/PKBL), Telkom's West Java Regional-3 Community Development Center (CDC) continues and always develop and assist Small Micro Enterprises (SMEs) since they started the business until they grow to be bankable SMEs, as experienced by Iwan, an animal miniature craftsman with a soldering technique in Cikole Lembang, West Bandung regency.

Met at his Sanggar Karya Cipta, Iwan Herawan (47) who has been successful as Telkom-assisted independent entrepreneur said that his life lessons and ability to read the situation drove him to achieve his dream to become an entrepreneur. Formerly a street peddler, he now has a showroom in Tangkubanparahu, where he displays more than 50 items of various animal miniature products crafter by him.

Iwan said that the business was initiated in 1990 with a minimum investment, about Rp300,000, which he got from trading. He used the money to buy tools such as solders, woods, and abrasives.

At that time he had no choice but to open his own business, because he could not afford his desire to go to college. He had an opportunity to go to college for a few months at Padjadjaran University, but had to quit due to lack of money. Initially, his idea of creating wooden

binatang kayu didapatkannya dari sang paman. Ketika itu Iwan disarankan mengolah kayu lame menjadi benda bernilai jual tinggi. Dengan kreativitas dan imajinasi, ditunjang darah seni, Iwan pun bisa menyulap kayu lame menjadi miniatur binatang yang bernilai seni tinggi. “Jujur saya akui semua keberhasilan ini tidak lepas dari perhatian, dukungan dan bimbingan Telkom sebagai BUMN yang senantiasa peduli terhadap upaya pengembangan Usaha Mikro Kecil sejak dari memulai usaha hingga mampu berkembang menjadi Mitra Binaan mandiri yang telah bankable, saya juga sangat berterima kasih kepada Telkom, saya sangat berhutang budi baik dengan Telkom dan rasanya sulit untuk melupakan kenangan-kenangan manis bersama Telkom yang selalu tekun, sabar dan terprogram dalam membina Mitra Binaannya,” ujarnya.

Sementara Manager CDC TR-3 Ganda Kusumah menegaskan bahwa apa yang dilakukan Telkom terhadap para pelaku UKM yang menjadi Mitra Binaannya merupakan bagian dari Tanggung Jawab Sosial pada Lingkungan (TJSL) lingkungan dimana Telkom berada, lingkungan dimana Telkom bersosialisasi dengan alam dan masyarakat di lingkungannya.

“Keberhasilan setiap Mitra Binaan merupakan kebanggaan tersendiri bagi Telkom, setidaknya Telkom telah berbuat sesuatu bagi kemaslahatan orang banyak sekaligus turut serta dalam menopang penguatan perekonomian nasional,” pungkasnya.

animal miniatures was inspired by his uncle. At that time, Iwan was suggested to process pulai woods into highly marketable products. With creativity and imagination, supported by genetically inherited artistic ability, Iwan could transform pulai woods into animal miniatures of high artistic value. “Honestly, I admit all this success was not possible without the attention, support and guidance of Telkom as an SOE that is always concerned about the development of Micro and Small Enterprises from starting a business to grow to become an independent Assisted Partner that is bankable. I am also very grateful to Telkom. I am deeply indebted to Telkom and it is hard to forget the sweet memories together with Telkom which was always diligent, patient and programmed in fostering its Assisted Partners,” he said.

Meanwhile, TR-3 CDC Manager Ganda Kusuma confirmed that what Telkom did for SMEs that are its Assisted Partners was part of the Social Responsibility to the Environment (TJSL) where Telkom operates, in which Telkom socializes with the nature and society in its environment.

“The success of all Assisted Partners is a pride for Telkom. At least, Telkom has done something for the benefit of the people, while at the same time participating in supporting the strengthening of the national economy,” he added.

PROGRAM BINA LINGKUNGAN [G4-SO1, G4-EC7]

Sesuai ketentuan Kementerian BUMN, kegiatan dalam Program Bina Lingkungan (PBL) meliputi delapan bidang. Kesemuanya merupakan kegiatan filantropi dari Telkom, yaitu: bantuan korban bencana alam, bantuan pendidikan dan pelatihan, bantuan kesehatan masyarakat, bantuan sarana umum, bantuan sarana ibadah, bantuan pelestarian alam, bantuan pengentasan kemiskinan dan bantuan peningkatan kapasitas mitra binaan.

Untuk tahun anggaran 2016, kami telah merealisasikan penyaluran dana Bina Lingkungan total sebesar Rp81,97 miliar.

COMMUNITY DEVELOPMENT PROGRAM [G4-SO1, G4-EC7]

Pursuant to the provisions of the Ministry of SOE, activities in Community Development Program (PBL) cover eight fields. All of them are philanthropic activities of Telkom, namely: aid for victims of natural disasters, education and training assistance, public health assistance, public facilities assistance, religious facilities assistance, nature conservation assistance, poverty alleviation assistance and partners' capacity building.

For fiscal year 2016, we have realized the fund distribution of Community Development amounting to Rp81.97 billion, including operational costs, with the following details.

Penyaluran Dana Program Bina Lingkungan (Rp miliar) / Distribution of funds for Community Development Program (Rp billion)				
No	Jenis Bantuan / Donation Type	2016	2015	2014
1	Bantuan korban bencana alam/Aid to victims of natural disasters	0,94	1,30	4,37
2	Pengembangan Pendidikan dan pelatihan /Education and training development	35,68	41,15	40,83
3	Pengembang fasilitas kesehatan masyarakat/Community health facility development	10,42	1,47	8,49
4	Pengembangan Fasilitas Umum/Public facility development	13,37	15,74	9,43
5	Pembangunan dan perbaikan sarana ibadah/Religious facility construction and improvement	10,62	8,47	16,23
6	Pelestarian Lingkungan/Environmental preservation	0,91	0,75	0,80
7	Pengentasan Kemiskinan/Poverty alleviation	1,64	0,01	1,04
8	Peningkatan kapasitas mitra binaan/Partners' capacity improvement	8,39	3,52	-
Total		81,97	72,41	81,19

1. Bantuan Korban Bencana Alam

Bantuan kepada korban bencana alam kami tujukan untuk meringankan beban masyarakat yang terkena dampak bencana. Untuk tahun 2016, kami memberikan bantuan untuk korban bencana alam dengan total nilai sebesar Rp0,94 miliar, diantaranya: bencana banjir di wilayah Kabupaten Bandung, bencana kabut asap di Sumatera dan Kalimantan serta bencana erupsi Gunung Sinabung.

1. Aid to Victims of Natural Disasters

Aid to victims of natural disasters was aimed to ease the burden of the people affected by the disasters. For 2016, we provided assistance to victims of natural disasters with a total value of Rp0.94 billion, namely: floods in the district of Bandung, haze in Sumatra and Kalimantan as well as the eruption of Mount Sinabung.



2. Bantuan Pendidikan dan Pelatihan

Telkom menempatkan Bantuan Pendidikan dan Pelatihan dengan porsi tertinggi dalam pelaksanaan PBL. Tujuannya adalah meningkatkan kemampuan masyarakat terhadap penggunaan teknologi digital yang dikemas dalam program **Indonesia Digital Learning**, antara lain: menyediakan fasilitas Pustaka Digital (PADI); program *My Teacher My Hero*; dan membangun fasilitas *Broadband Learning Center* (BLC) dan *Creative Camp*.

Kegiatan tersebut merupakan pengembangan program-program sejenis sebelumnya, meliputi: (1) Bagimu Guru Ku Persembahkan, (2) Program Beasiswa, (3) Edukasi Internet Desa Tertinggal, (4) *Integrated Digital School*, (5) *Edu Campus Development School*, (6) *Indonesia Digital School*.

Di tahun 2016, kami mengeluarkan dana bantuan pendidikan dan pelatihan sebesar Rp35,68 miliar, 43,53% dari total biaya program.

2. Education and Training Assistance

Telkom placed Education and Training Assistance at the highest portion of the implementation of Community Development Program. The objective was to improve people's ability to use digital technology that is packed in **Indonesia Digital Learning** program, among others: providing Digital Library Facilities (PADI); My Teacher My Hero program; and building Broadband Learning Center (BLC) and Creative Camp facilities.

These activities were the improvement of similar programs that we had before, include: (1) Bagimu Guru Ku Persembahkan, (2) Scholarship Program, (3) Internet Education for Underdeveloped Villages, (4) Integrated Digital School, (5) Edu Campus Development School, (6) Indonesia Digital School.

In 2016, we issued grants for education and training Rp35.68 billion, 43.53% of the total cost of the program.

Broadband Learning Center & Creative Camp

Broadband Learning Center & Creative Camp



Broadband Learning Center (BLC) merupakan sarana pembelajaran pengenalan digital bagi masyarakat, dibangun sejak tahun 2014 dan tersebar di 544 Kota dan Kabupaten. Untuk tahun 2016 BLC yang dibangun sebanyak 4 lokasi antara lain di Pulau Samosir, Yogyakarta, Surabaya dan Sorong.

Sebagai sarana untuk pengembangan kapasitas masyarakat digital, Telkom membangun *Creative Camp* sebagai fasilitas bagi generasi muda yang memiliki minat dibidang kreatif digital serta menumbuhkan bibit digital preneur di tanah air. Pembangunan *Creative Camp* di Aceh merupakan program berkelanjutan dari tahun-tahun sebelumnya serta merupakan *Creative Camp* yang ke 15 di Indonesia sejak tahun 2014.

Broadband Learning Center (BLC) is a learning facility to introduce digital technology to the society, established since 2014 and spread over 544 cities and regencies. In 2016, BLCs were established in four locations, among others Samosir Island, Yogyakarta, Surabaya and Sorong.

As a facility to develop the capacity of the digital society, Telkom builds Creative Camps as a facility for young people who have an interest in the digital creative industry and to grow the potential of digital entrepreneurs in the country. The establishment of Creative Camp in Aceh was a continuation of the same program in the previous years and deemed as the 15th Creative Camp in Indonesia since 2014.

3. Bantuan Kesehatan Masyarakat

Bantuan bidang kesehatan tetap kami prioritaskan pada kegiatan yang dapat mendukung peningkatan kualitas kesehatan masyarakat. Bantuan diberikan antara lain dalam bentuk kegiatan donor darah, operasi katarak, khitanan massal dan pembagian sembako bagi masyarakat untuk peningkatan kualitas gizi masyarakat, serta Bedah Rumah Veteran sejak 2015 hingga akhir tahun 2016 sebanyak 105 rumah yang merupakan bagian dari Program “BUMN Hadir untuk Negeri” dalam rangka 71 Tahun Kemerdekaan Indonesia.

3. Public Health Aid

We are still prioritizing aid in health sector on activities that support the improvement of public health quality. Aid was given, among others, in the form of blood donation, cataract surgery, mass circumcision and distribution of basic need for the people to improve the quality of public nutrition, as well as Veterans Home Improvement since 2015 until the end of 2016 as many as 105 house that is part of the Program “BUMN Hadir untuk Negeri” in the commemoration of the 71 years of Indonesian Independence.



Bedah Rumah Veteran

Bedah Rumah Veteran merupakan bentuk kontribusi nyata bagi para veteran sebagai bentuk ucapan terima kasih atas jasa yang para veteran. Sebagai tanda terimakasih, Telkom rumah anggota veteran yang kurang layak “dibedah” agar dapat memberikan rasa aman dan nyaman kepada anggota veteran.

The Veterans' House Renovation

Veterans' House Renovation (*Bedah Rumah Veteran*) is a form of real contribution to veterans as a form of gratitude for the service of veterans. As Telkom's expression of gratitude, less decent homes of veterans were renovated in order to provide security and comfort for veterans.

Gambar - Menteri BUMN Rini Soemarno, Direktur Utama Telkom Alex J Sinaga dan para Direksi BUMN beramah tamah dengan anggota veteran penerima bantuan Bedah Rumah Veteran.

Image - SOE Minister Rini Soemarno, Telkom's President Director Alex J Sinaga and SOE Directors show hospitality with the veterans receiving the Veterans' House Renovation (*Bedah Rumah Veteran*) aid.

4. Pengembangan Prasarana dan Sarana Umum [G4-EC7]

Tujuan pelaksanaan program ini adalah meningkatkan pelayanan kepada masyarakat di bidang sarana dan prasarana telekomunikasi, dengan mempertimbangkan dampak langsung maupun tidak langsung terhadap kegiatan perekonomian setempat. Bantuan yang diberikan di antaranya berupa pembangunan gerbang dan revitalisasi taman dalam rangka menyambut Konferensi Asia Afrika di Bandung, bantuan alat penghancur sampah (*incenerator*) yang diberikan kepada masyarakat, dan Program *Broadband Learning Center* (BLC).

4. Development of Public Infrastructure and Utilities [G4-EC7]

The purpose of the program is to improve services to the public in the field of telecommunications infrastructure, by taking into account the direct and indirect impacts on local economic activities. The assistance given is in the form of, among others, development and revitalization of gates and parks in order to welcome the Asian-African Conference in Bandung, incinerator for the people, and Broadband Learning Center (BLC) program.

5. Bantuan Sarana Ibadah

Bantuan kami salurkan dalam berbagai bentuk perbaikan maupun pembangunan sarana ibadah di seluruh wilayah kerja Perseroan. Bantuan yang disalurkan antara lain berupa bantuan pembangunan masjid, pembangunan gereja dan pembangunan pura.

5. Grants for Religious Facilities

We disbursed the aid in various forms of repairment as well as construction of places of worship all over the working area of the Company. The disbursed assistances are, among others, in the form of assistance for the construction of mosques, churches and temples.

6. Bantuan Pelestarian Lingkungan

Dalam upaya mewujudkan area yang ramah lingkungan, kami juga melaksanakan kegiatan penghijauan seperti penanaman pohon terutama pada lahan-lahan kritis dan tandus diantaranya: Kegiatan penanaman 50 ribu pohon di lahan seluas 10 Ha di kawasan Danau Toba, Propinsi Sumatra Utara.

7. Bantuan Pengentasan Kemiskinan

Melalui bantuan pengentasan kemiskinan, Telkom berharap dapat mengangkat taraf hidup masyarakat miskin baik di wilayah perkotaan maupun di pedesaan. Bantuan yang diberikan berupa pelatihan peningkatan ketrampilan yang diyakini akan memberikan dampak peningkatan kesejahteraan secara berkesinambungan.

6. Grants for environmental preservation

In the effort to create an environmentally friendly area, we also carry out reforestation activities such as tree planting, especially on critical and barren land, including: planting 50 thousand trees in a land of 10 Ha at Toba Lake area, Province North Sumatera.

7. Aid for Poverty Alleviation

Through the aid for poverty alleviation, Telkom wishes to elevate the living standard of the poor both in urban and rural areas. Aid is provided in the form of skill improvement training that we believe will give continuous increase of welfare.



8. Peningkatan Kapasitas Mitra Binaan.

Antara lain diwujudkan melalui kegiatan promosi dan pengembangan melalui program pelatihan serta kunjungan dalam rangka *sharing* wacana pengembangan usaha dan motivasi, dalam bentuk:

- a. Promosi dan Pemasaran
Contohnya adalah pameran *Sail to Karimata*. Perseroan juga membantu promosi produk mitra binaan agar bisa berpartisipasi dalam pasar global melalui *online store* (<http://www.blanja.com>).
- b. Pendidikan dan Pelatihan mitra binaan
Diantaranya dilakukan melalui program pelatihan internet bagi mitra binaan serta kegiatan kunjungan yang bertujuan untuk memberikan motivasi dan membuka wawasan pengembangan usaha kepada mitra binaan.

8. Partners Capacity Building.

This program is realized, among others, through promotion and development activities through training programs and visits in order to share the discourse of business development and motivation, in the form of:

- a. Promotion and Marketing
For example, the *Sail to Karimata* exhibition. The company also helps the promotion of the products of the partners in order to participate in the global market through an online store (<http://www.Blanja.com>).
- b. Education and training for partners
This program is conducted, among others, through internet training program for the partners as well as outreach activities aimed at motivating and opening insightful business development to partners.

Contoh-contoh kisah sukses Program Bina Lingkungan-Telkom

Witel Balikpapan Serahkan Bantuan CSR Berupa Ajir Bibit Dalam Peringatan HMPI dan BMN

Witel Balikpapan yang diwakili oleh Manager HR & CDC Samsul Huda hadir dalam Peringatan Hari Menanam Pohon Indonesia yang diselenggarakan oleh Pemerintah Kota Balikpapan bertempat di ruang terbuka hijau Masjid *Islamic Center* Balikpapan (9/12).

Peringatan Hari Menanam Pohon Indonesia (HMPI) dan Bulan Menanam Nasional (BMN) tersebut dihadiri Instansi lainnya dan swasta yang turut mensukseskan di acara tersebut dan juga hadir Walikota Balikpapan Rizal Effendi memberikan sambutan. Dalam sambutannya Walikota Balikpapan Rizal Effendi menyampaikan bahwa kota Balikpapan telah meraih piala dan penghargaan yang ketiga kalinya dari Menteri Lingkungan Hidup dan Kehutanan dan yang ketiga tahun 2015 yaitu juara ke 3 dalam lomba penanaman pohon tingkat nasional yang diterima langsung dari Bapak Presiden.

“Hal ini Sesuai Instruksi Presiden Republik Indonesia untuk melaksanakan Peringatan Hari Menanam Pohon Indonesia (HMPI) dan Bulan Menanam Nasional (BMN) di setiap tanggal 28 Nopember. Hari ini mengawali dan nanti menyusul ditempat lain, mengharapakan partisipasinya dari Instansi, lembaga maupun Swasta. Indonesia telah memecahkan rekor dunia dengan menanam 238 ribu pohon di kota tuban dalam 1 jam dan dapat mengalahkan Philipina. Penanaman pohon ini sebagai paru paru dunia dan menahan bencana longsor serta banjir,” paparnya.

Ia mengucapkan terimakasih kepada pihak-pihak yang telah turut mensukseskan di acara ini, semoga memberikan contoh kepada yang lainnya. Dalam kesempatan ini Witel Balikpapan menyerahkan Bantuan CSR berupa Ajir Bibit sebanyak 600 Batang dan secara simbolis penanaman dilakukan oleh Manager HR & CDC Samsul Huda bersamaan dengan Instansi, lembaga dan pihak swasta yang turut serta mensukseskan.

Examples of success stories of Telkom's Community Development Program

Witel Balikpapan Distributes Seed Stakes as CSR Assistance in Commemoration of the Tree Planting Day and the National Planting Month

Witel Balikpapan represented by HR & CDC Manager Samsul Huda was present at the commemoration of Indonesian Tree Planting Day held by Balikpapan city administration at the green open space of the Balikpapan Islamic Center Mosque (9/12).

The event to commemorate the Indonesian Tree Planting Day and National Planting Month was attended by other agencies and private companies that took part in promoting the event. The Mayor of Balikpapan Rizal Effendi was also present to give an opening speech. In his speech, Balikpapan Mayor Rizal Effendi said that the Balikpapan city had received a trophy and award for the third time from the Minister of Environment and Forestry and in 2015 won the third place in the national tree planting competition, the award of which was handed over by the President.

“It corresponds to the Presidential Instruction of the Republic of Indonesia to commemorate Indonesian Tree Planting Day and National Planting Month on November 28. Today is a start and will later continue at other places. We expect the participation of agencies, institutions and private companies. Indonesia has set a world record by planting 238,000 trees in Tuban city in 1 hour, defeating the Philippines. Trees serve as the world's lungs and prevent landslides and floods,” he said.

He thanked those who have helped the success of the event, with the hope the event becomes an example for others. On the occasion, Witel Balikpapan donated 600 seed stakes as CSR Assistance and symbolically planted a tree represented by HR & CDC Manager Samsul Huda together with other agencies, institutions and private companies participating in the event.

Testimony : PROGRAM PENGENTASAN KEMISKINAN**Sinergi BUMN, Plt Dir EBIS Hadiri Peletakan Batu Pertama Pembangunan Balai Ekonomi Desa Tahap II**

Plt Dir EBIS Honesti Basyir menghadiri peletakan batu pertama pembangunan balai ekonomi desa tahap II “Program Desa Wisata” sebagai bentuk sinergi BUMN membangun pariwisata Indonesia, di Desa Tuksongo, Jawa Tengah (19/11).

Acara dihadiri oleh Menteri BUMN Rini Soemarno, Gubernur Jawa Tengah Ganjar Pranowo, Direktur SDM & Umum PT Jasa Marga Christantio Prihambodo, Direktur Utama Patra Jasa Muhammad Haryo Yuniarto, Direktur Komersial dan Pengembangan Usaha PT Angkasa Pura II M. Asrori, serta Direktur Utama PT Jasa Raharja Budi Setyanto.

Peletakan batu pertama diawali dengan tarian selamat datang, serta pemotongan tumpeng BUMN sponsor. Adapun partisipasi Telkom dalam kegiatan ini adalah memberikan sponsorship “Paket Balai Ekonomi Desa (Balkondes) + Paket *Homestay*”. “Partisipasi Telkom dalam kegiatan ini, merupakan wujud nyata sinergi Telkom bersama BUMN lainnya untuk memberikan manfaat bagi masyarakat,” ungkap Honesti.10382

Hal tersebut dilakukan untuk menindaklanjuti kegiatan “Program Desa Wisata” sinergi BUMN tahap I, yang telah dilakukan oleh Bank BNI, Hutama Karya, PGN, Pertamina dan Jamkrindo, di Warung Kopi Borobudur, Dusun Ngaran, Jawa Tengah (4/11). Dalam kesempatan itu, Honesti didampingi oleh EVP TR 4 Joko Raharjo, DEVP DES Suhartono, dan SGM CDC Mochamad Sulthonul Arifin.

Testimony : POVERTY ALLEVIATION PROGRAM**As Part of SOE Synergy, EBIS Acting Director Attended Groundbreaking of Village Economic Center Construction Phase II**

EBIS Acting Director Honesti Basyir attended the groundbreaking of the second phase village economic center construction of the “Tourism Village Program” as part of SOE synergy to develop Indonesia’s tourism, in Tuksongo Village, Central Java (19/11).

The event was attended by SOE Minister Rini Soemarno, Central Java Governor Ganjar Pranowo, PT Jasa Marga’s HR & General Director Christantio Prihambodo, Patra Jasa’s President Director Muhammad Haryo Yuniarto, PT Angkasa Pura II’s Commercial and Business Development Director M. Asrori, and PT Jasa Raharja’s President Director Budi Setyanto.

The groundbreaking commenced with a welcome dance and cutting of tumpeng rice by the sponsoring SOE. Telkom’s participation in the event was by providing sponsorship of “Village Economy Hall Package (*Balai Ekonomi Desa* (Balkondes)) + Homestay Package”. Telkom’s participation in the event was a realization of Telkom’s synergy with other SOEs to provide benefits for the community,” Honesti said.10382

It was done to follow up on the “Tourism Village Program” as part of the first phase of SOE synergy, which has been carried out by Bank BNI, Hutama Karya, PGN, Pertamina and Jamkrindo, at *Warung Kopi Borobudur, Dusun Ngaran, Central Java* (4/11). On that occasion, Honesti was accompanied by TR-4 EVP Joko Raharjo, DES DEVP Suhartono, and CDC SGM Mochamad Sulthonul Arifin.

EMPLOYEE VOLUNTEER PROGRAM

Employee Volunteer Program (“EVP”) berfungsi sebagai wadah untuk memfasilitasi kegiatan sosial kemasyarakatan yang diinisiasi oleh Insan Telkom Group (“Telkomers”), baik secara individu maupun melalui komunitas karyawan di lingkungan Telkom Group. Ada dua kelompok peserta EVP, yakni:

- o *EVP Role Model* - merupakan kegiatan sosial pegawai Telkom yang dilakukan oleh para *Senior Leader* sebagai *role model* di Telkom.
- o *EVP Komunitas Pegawai* - kegiatan sosial yang dilaksanakan oleh pegawai dalam komunitas pegawai.

Kami memfasilitasi sarana komunikasi dan informasi kegiatan EVP melalui situs (<http://www.evp.telkom.co.id>). Sepanjang tahun 2016, kami mencatat sebanyak 5.352 Telkomers telah terdaftar dalam program EVP.

Adapun kegiatan EVP dibagi dalam empat kegiatan utama, yaitu bakti pendidikan, bakti lingkungan, bakti pelestarian budaya, dan bakti sosial kemasyarakatan.

• **Bakti Pendidikan**

Bakti Pendidikan yang dilakukan selama tahun 2016 adalah kegiatan mengajar di lembaga pendidikan formal maupun non formal.

• **Bakti pelestarian Budaya**

Kegiatan sosial di bidang budaya tradisional dilakukan melalui aktivitas mengajar maupun partisipasi aktif dalam pembinaan budaya kepada generasi muda.

• **Bakti Lingkungan**

Bakti Lingkungan (*save planet*) mencakup keterlibatan langsung dalam kegiatan sosial untuk perbaikan lingkungan, antara lain kegiatan kebersihan lingkungan yang dilakukan oleh komunitas sepeda dan sepeda motor serta kegiatan penanaman pohon yang dilakukan oleh Komunitas Serikat Karyawan Telkom.

• **Bakti Sosial Kemasyarakatan**

Bakti sosial kemasyarakatan mencakup kegiatan sosial Telkomers dengan menjadi inisiator aksi sosial, misalnya melalui penyediaan air bersih bagi masyarakat pedesaan yang terkena dampak musim kemarau serta melakukan kegiatan kampanye ke kantor bersepeda (*bike to work*) di Kota Bandung.

EMPLOYEE VOLUNTEER PROGRAM

Employee Volunteer Program (“EVP”) serves as a forum to facilitate social activities initiated by Insan Telkom Group (“Telkomers”), both individually and through the community of employees in the Telkom Group. There are two groups of participants in EVP, namely:

- o *Role Model EVP* -Telkom employee’s social activities that are undertaken by the Senior Leader as a role model in O859 Telkom.
- o *Employees Community EVP* - social activities that are carried out by employees in the employee community.

We facilitate the means of communication and information activities of the EVP through the site (<http://www.evp.telkom.co.id>). Throughout 2016, we recorded the total number of 5,352 Telkomers have enrolled in the EVP program.

EVP activities are divided into four main activities, namely education services, environmental preservation, cultural preservation, and community’s social service.

• **Education Services**

Education Services that were conducted during 2016 were teaching activities in both formal and informal educational institutions.

• **Cultural Preservation**

Social activities in the field of traditional culture is done through teaching activities as well as active participation in fostering the culture to the younger generation.

• **Environmental Preservation**

Environmental Preservation (*save planet*) encompasses direct involvement in social activities for the improvement of the environment, such as, environmental cleaning activities undertaken by the community of bicycles and motorcycles as well as tree planting activities undertaken by the Telkom Labor Community.

• **Social Service**

It includes Telkomers’ social activities by being the initiator of a social action, for example through the provision of clean water for rural communities affected by drought as well as conducting a bike to work in Bandung.

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MENGUTAMAKAN PENGALAMAN PELANGGAN

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MEMENUHI HARAPAN PELANGGAN

“Kami berkomitmen memenuhi harapan para pelanggan dengan menyediakan jasa-jasa dan konten konten produk TIME sesuai kebutuhan, menyisihkan dana investasi yang memadai untuk membangun infrastruktur pendukung dan menyediakan akses yang mudah dan nyaman melebihi ekspektasi pelanggan, serta menerapkan transformasi organisasi berbasis customer oriented dalam konsep *Customer Facing Unit - Facility Unit*.”

LATAR BELAKANG DAN KEBIJAKAN [G-DMA]

Bagi Telkom, pelanggan adalah salah satu pemangku kepentingan yang berperan sentral dalam menjamin keberlangsungan usaha melalui pembelian produk dan jasa yang mereka lakukan. Melalui kritik dan saran yang mereka sampaikan, pelanggan juga adalah mitra utama dalam mengembangkan usaha di masa depan. Oleh karena perannya yang demikian strategis, dengan mengerahkan seluruh kompetensi yang kami miliki, kami senantiasa menjalin komunikasi erat dengan pelanggan, memahami dan berupaya memenuhi harapannya.

Komitmen kami terhadap para pelanggan tersebut ditunjukkan dengan realisasi dari serangkaian kebijakan manajemen untuk melakukan investasi pengembangan infrastruktur, pengembangan produk, memastikan keamanan produk, memberi jaminan purnajual dan menyediakan layanan pengaduan konsumen. Kami kemudian menilai keberhasilan penerapan kebijakan tersebut melalui dua pendekatan, yakni nilai indeks kepuasan pelanggan yang menunjukkan kemampuan Telkom dalam memenuhi harapan para pelanggan, dan bertambahnya volume penjualan jasa, yang menunjukkan bertambahnya kepercayaan pelanggan terhadap produk serta jasa yang disediakan oleh Telkom.

REALISASI PENGEMBANGAN INFRASTRUKTUR PENDUKUNG

Kami terus merealisasikan investasi pengembangan infrastruktur pendukung dalam rangka memenuhi harapan para pelanggan dan mencapai sasaran pengembangan strategis yang telah diformulasikan sebagai tiga fokus inisiatif strategis Perseroan, yakni: *Telkomsel Maintain Double Digit Growth, Indonesia Digital Network (“IDN”) Driving the Digital Business dan International Expansion Stretch and Expand International Business*. Sebagai bagian dari realisasi rencana investasi, Direktorat Network, IT and Solution (NITS) telah menetapkan *framework* yang sistematis yang diturunkan dari rencana strategis dan *key initiatives* Perseroan. Seluruh rangkaian realisasi rencana strategis tersebut kami laksanakan untuk mendukung pencapaian visi *“Be The King of Digital in the Region”*.

MEETING CUSTOMER EXPECTATIONS

“We are committed to meet customers’ expectations by providing TIME services and product content in accordance with current demands, setting aside sufficient investment funds to build supporting infrastructure and provide ease of access and convenience that exceeds customer expectations, as well as implementing customer-oriented organizational transformation in the Customer Facing Unit - Facility Unit concept.”

BACKGROUND AND POLICIES [G-DMA]

For Telkom, the customer is a stakeholder that holds a central role in guaranteeing business continuity through the purchase of products and services. Through the criticisms and advice that they convey, customers are also major partners in future business development. Given such a strategic role, by exerting every competency that we have, we are always communicating closely with customers to understand them and fulfill their expectations.

We show our commitment to our customers by realizing a series of managerial policies to conduct infrastructure development investments, product development, ensuring product safety, providing after sales services and making available customer complaint services. We then assess the success of these policies through two approaches, namely the customer satisfaction index approach, and the increase in the volume of services sold, that shows an increase in the customers’ confidence in the products and services provided by Telkom.

REALIZATION OF SUPPORTING INFRASTRUCTURE DEVELOPMENT

We continue to conduct investments in the development of supporting infrastructure in order to meet customer expectations and achieve targeted strategic development that has been formulated as three focus strategic initiatives of the Company, namely: *Telkomsel’s “Maintain Double Digit Growth”, “Indonesia Digital Network (“IDN”) Driving the Digital Business and International Expansion Stretch and Expand International Business”*. As part of the realization of our investment plans, the Directorate of Network, IT and Solution (NITS) has established a systematic framework derived from the Company’s strategic plan and key initiatives. The entire series of the realization of the strategic plan is implemented to support the achievement of the *“Be The King of Digital in the Region”* vision.

Telkom meyakini realisasi pengembangan infrastruktur tersebut juga merupakan wujud partisipasi perusahaan terhadap komitmen untuk mendukung realisasi pembangunan berkelanjutan skala global sebagaimana ditegaskan dalam formula tujuan global ke-9 “Industri, Inovasi dan Infrastruktur - Membangun infrastruktur tangguh, mempromosikan industrialisasi inklusif dan berkelanjutan dan mendorong inovasi”

Adapun infrastruktur pendukung yang kami jalankan per akhir tahun 2016 terdiri atas:

- Kabel laut baik global maupun nasional yang terdiri dari: SEA-ME-WE 5, IGG, SEA-US, BSCS, DMCS, AAG, SJC.
- 29 *point of presence* (POP) untuk mendukung layanan internasional baik *voice* maupun data.
- 2 satelit dengan total kapasitas 60 transponder, serta menyewa 55,84 TPE sebagai tambahan layanan.
- Jaringan transmisi dengan kapasitas 6.860 Gbps.
- Kapasitas sentral jaringan telepon kabel tidak bergerak sebesar 16,7 juta sambungan.
- Kapasitas data center sekitar 95.000 sqm.
- 1.100 Gbps kapasitas *gateway* internet.
- 362.200 *access point* Wi-Fi.
- 129,033 unit BTS (termasuk 6.362 BTS 4G/LTE).

PENGEMBANGAN PRODUK DAN JASA

Kami terus berupaya menyediakan ragam produk dan jasa layanan yang relevan dengan perkembangan teknologi terkini dan kompatibel dengan produk-produk *smartphone* terbaru. Kami menerapkan pedoman standar berupa pelaksanaan proses inkubasi produk inovasi baru, guna memastikan bahwa suatu produk yang baru kami kembangkan dapat menjadi produk komersil yang diterima baik di pasar. Proses inkubasi diperlukan untuk mendukung inovasi penciptaan produk baru melalui tahapan-tahapan *idea submission*, *customer and idea validation*, *product validation*, *business model validation*, dan *market validation*.

Guna menjamin kontinuitas dan lahirnya produk-produk inovasi baru yang diharapkan dapat diterima baik di pasar, kami mendirikan dan mengelola kegiatan riset dan pengembangan.

Telkom is convinced that the realization of infrastructure development is also a form of Company participation in supporting the realization of sustainable development on a global scale as defined by the formulation of the 9th global goal, “Industry, Innovation and Infrastructure - Building a resilient infrastructure, promoting inclusive and sustainable industrialization and encourage innovation”.

The supporting infrastructure that we have ran until the end of 2016 include:

- Submarine cables both global and national, consisting of SEA-ME-WE 5, IGG, SEA-US, BSCS, DMCS, AAG, SJC.
- 29 points of presence (POP) to support international services both voice and data.
- 2 satellites with total capacity of 60 transponders, as well as renting 55.84 TPEs as additional services.
- Transmission networks with a capacity of 6,860 Gbps.
- Exchange capacity of fixed wireline network was 16.7 million lines.
- Approximately 95,000 sqm of data center capacity.
- 1,100 Gbps gateway internet capacity.
- 362,200 Wi-Fi access points.
- 129,033 BTS units (including 6,362 4G/LTE BTS).

PRODUCT AND SERVICES DEVELOPMENT

We continually strive to provide a range of products and services that are relevant to the development of the latest technology and that are compatible with the latest smartphone products. We apply standard guidelines through the application of new innovation incubation processes in order to ensure that new products that we develop can develop into commercial products that are well received in the marketplace. The incubation process is required to support the creation of innovative new products through the stages of *idea submission*, *customer and idea validation*, *product validation*, *business model validation*, and *market validation*.

To ensure the continuity and creation of new innovative products that are expected to be well received in the market, we set up and manage research and development activities.



Riset dan Pengembangan

Kegiatan riset dan pengembangan berada di bawah pengelolaan Direktorat *Innovation & Strategic Portfolio* dan dilaksanakan oleh Divisi *Digital Service*. Terdapat 3 kelompok Utama kegiatan riset yang dilakukan Telkom, yakni:

- *Infrastructure research & standardization*, yakni riset dan pengembangan layanan melalui jaringan infrastruktur, yang meliputi riset jangka menengah dan panjang, riset mendukung operational unit dan riset jangka panjang dengan mitra dan forum internasional.

Selama tahun 2016, kami merealisasikan 10 item riset riset standarisasi dan pengembangan infrastruktur jaringan, 10 item riset bantuan teknis untuk operational dan kerjasama riset dan 6 item pengembangan (*joint innovation center*) antara Telkom DDS dengan institusi lain seperti Huawei, NEC, NTT, ZTE, SK Telecom dan *Joint Research NICT Japan & ASEAN*.

- *Business research*, yakni riset dan pengembangan yang dilakukan dalam rangka pengembangan bisnis. Ada 8 item penelitian yang kami lakukan dalam kaitan ini.
- *Open innovation*, aktivitas riset untuk untuk menghasilkan layanan inovatif baru. Untuk riset ini, kami memandang program *Indigo Creative Nation* memiliki momentum khusus pada tahun 2016 sejalan dengan pelaksanaan transformasi pengelolaan organisasi korporasi yang kini mengusung konsep CFU/FU. Aktivitas-aktivitas utama yang dilakukan dalam program *Indigo Creative Nation* tahun 2016 mencakup:
 - o **Nurturing Creativity:** kegiatan *nurturing creativity* berupa peningkatan kapabilitas *digital talent* dan komunitas digital yang dilakukan di Digital Innovation Lounge (DILo). Hingga tahun 2016 ini, jumlah *digital talent* yang berpartisipasi dalam kegiatan ini mencapai hampir 20.000 *talent*.
 - o **Discovery:** pengembangan mekanisme *startup triple intake*, yaitu melalui dua *batch intake*, *product push incidental intake*, dan *market pull incidental intake*, ada 700 *startup* yang berpartisipasi.
 - o **Incubation:** jumlah *startup* yang diinkubasi pada tahun 2016 (sampai dengan tanggal 17 November 2016) sebanyak 38 *startup*.
 - o **Integration:** fokus kegiatan pada tahun 2016 adalah melakukan sinergi produk-produk *startup* untuk menjadi bagian portofolio maupun komponen pendukung produk Telkom Group, contohnya adalah: Jarvis, Priviy-ID, Modegi, X-Igent, Run-system.

Research and Development

Research and development activities fall under the management of the Directorate of Innovation & Strategic Portfolio and is implemented by the Division of Digital Services. Telkom conducts 3 main group research activities, namely:

- *Infrastructure research & standardization*, namely research and development of services over a network infrastructure, which includes medium and long-term researches, research supporting operational units and long-term research with partners and international forums.

In 2016, we have realized 10 research items regarding network infrastructure standardization and research, 10 items regarding technical assistance for operational and research cooperation research and 6 development items (*joint innovation center*) between Telkom DDS with other institutions such as Huawei, NEC, NTT, ZTE, SK Telecom and *Joint Research NICT Japan and ASEAN*.

- *Business research*, namely research and development conducted towards business development. We are conducting 8 items of research in this regard.
- *Open innovation*, research activities to generate new innovative services. For this research, we view the *Indigo Creative Nation* program as having a special momentum in 2016 in line with the implementation of the transformation of the management of corporate organizations which now puts forward the CFU/FU concept. The main activities conducted in the *Indigo Creative Nation* program in 2016, encompasses:
 - o **Nurturing Creativity:** *nurturing creativity* activities takes the form of enhancing the capabilities of digital talents and digital communities conducted at the Digital Innovation Lounge (DILo). By 2016, over 20,000 digital talents have participated in these activities.
 - o **Discovery:** development of startup triple intake mechanisms, namely through two batch intakes, product push incidental intake, and market pull incidental intake, with the participation of 700 startups.
 - o **Incubation:** the number of startups incubated in 2016 (as of 17 November 2016) reached 38 *startups*.
 - o **Integration:** the activities focused on in 2016 is to conduct startup product synergy to become a part of Telkom Group's portfolio, and their supporting product component, some examples

- o **Promosi dan Branding:** kegiatan promosi program *Indigo Creative Nation* melalui pengembangan portal Indigo.id dan aktifitas digital *marketing*.
 - o **Follow-on-Funding:** kegiatan mencari investor eksternal dilakukan melalui beberapa aktivitas *demo day, fund raising* hingga *settlement follow on funding*. Hingga saat ini telah terdapat 7 startup yang memperoleh *follow on funding* dengan *money multiple* rata-rata sebesar 4 kali.
- are: Jarvis, Priviy-ID, Modegi, X-Igent, Run-system.
- o **Promotion and Branding:** Indigo Creative Nation promotion programs conducted through the development of the Indigo.id portal and digital marketing activities.
 - o **Follow-on-Funding:** activities to discover external investors through several activities such as *demo day, fund raising, and settlement follow on funding*. Until now, there are 7 startups that have received follow on funding with a money multiplication average of 4.

Merk, Hak Cipta dan Paten

Kami telah mendaftarkan sejumlah hak kekayaan intelektual yang terdiri dari merek, hak cipta dan paten di Direktorat Jenderal Kekayaan Intelektual (Ditjen KI), Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia, guna melindungi dan memberikan penghargaan terhadap kreativitas hasil riset dan pengembangan produk/layanan.

Berikut adalah daftar permohonan merek yang kami ajukan untuk tahun 2016.

Trademarks, Copyrights and Patents

We have registered a number of intellectual property rights comprising trademarks, copyrights and patents in the Directorate General of Intellectual Property ("Ditjen KI"), Ministry of Law and Human Rights of the Republic of Indonesia, to protect and appreciate the creativity products/services produced by research and development.

The following is a list of trademarks that we have filed in 2016.

No	Judul Title	No. Permohonan Application Number	Tanggal Permohonan Application Date
1	ACI (Assessment Center Indonesia)	J002016006439	February 10, 2016
2	AppPrime	J002016006423	February 10, 2016
3	UAd	J002016006417	February 10, 2016
4	UContest	J002016006434	February 10, 2016
5	UData	J002016006427	February 10, 2016
6	MOVIN	J002016013533	March 23, 2016
7	MyIndiHome	J002016031138	June 24, 2016
8	Quad Play	J002016031135	June 24, 2016

Daftar pengajuan permohonan Hak Cipta yang diajukan di tahun 2016

No	Judul Title	Type Type	No. Permohonan Application Number	Tanggal Permohonan Application Date
1	Post Call Marketing	Program Komputer Computer Program	C00201602484	June 28, 2016
2	Telco Churn Model for Segment Customer Retail (Consumer) Case Telkom Product IndiHome	Program Komputer Computer Program	C00201602482	June 28, 2016
3	Big Data Monetizing Scaling Up Market Penetration Trough Data Analytics	Program Komputer Computer Program	C00201602496	June 28, 2016
4	Smart Collection Through Big Data Analytics	Program Komputer Computer Program	C00201602483	June 28, 2016

MENYEDIKAN LAYANAN YANG BERKUALITAS

Kami berkomitmen penuh untuk menyediakan layanan yang berkualitas, seperti telah ditunjukkan pada realisasi pengembangan infrastruktur, dengan menyediakan jaringan layanan distribusi untuk memudahkan akses para pelanggan dalam mendapatkan beragam produk jasa telekomunikasi sesuai dengan kebutuhannya. Sebagai bentuk komitmen penyediaan layanan yang berkualitas kami juga senantiasa mematuhi seluruh peraturan maupun perundangan di bidang jasa telekomunikasi, termasuk aturan perundangan di bidang layanan jasa telekomunikasi.

Kewajiban Pelayanan Universal (KPU) [G4-SO7]

Sebagaimana diketahui, standar layanan dibidang telekomunikasi ditentukan melalui pemenuhan Kewajiban Pelayanan Universal (KPU), yang merupakan bagian dari implementasi UU No.36 tahun 1999 tentang Telekomunikasi, dan Keputusan Menteri Perhubungan No.KM.31/2003 tertanggal 11 Juli 2003 tentang Penetapan Badan Regulasi Independen Telekomunikasi Indonesia (BRTI). Untuk mendukung implementasi peraturan ini, juga telah ditetapkan Peraturan Menkominfo No.32/PER/M.KOMINFO/10/2008 tertanggal 10 Oktober 2008 mengenai KPU (diubah dengan Peraturan Menkominfo No.03/2010 tertanggal 1 Februari 2010), yang Tujuannya adalah menciptakan pemerataan pengembangan layanan informasi dan teknologi komunikasi di seluruh wilayah Indonesia.

Sebagai bagian dari penerapan UU No.5/1999 tanggal 5 Maret 1999 yang mengamanatkan Larangan Praktik Monopoli dan Persaingan Bisnis Tidak Sehat (UU Anti Monopoli), pemerintah telah membentuk Komisi

PROVIDING QUALITY SERVICES

We are fully committed to provide quality services, as illustrated by the realization of infrastructure development, by providing service distribution services to facilitate customer access to various telecommunications services as necessary. As a commitment to provide quality services, we have also have continuously complied with all laws and regulations in the field of telecommunications services, including regulation in the field of telecommunications services.

Universal Service Obligation (USO) [G4-SO7]

As acknowledged, the standard of service in telecommunications is determined through the fulfillment of Universal Service Obligation (USO), which is part of the implementation of Law No.36 of 1999 on Telecommunications, and Decree of the Minister of Transportation No.KM.31/2003 dated July 11, 2003 on the Establishment of the Independent Telecommunications Regulatory Agency of Indonesia (BRTI). To support the implementation of this regulation, MCIT Regulation No.32/PER/M.KOMINFO/10/2008 dated October 10, 2008 regarding the USO (amended with Regulation No.03/2010 dated February 1, 2010) has also been enacted, with the aim to create equitable development of information and communication technologies across Indonesia.

As part of the implementation of Law No.5/1999 dated March 5, 1999, which outlines the prohibition of monopolies and unfair business competition (Antitrust Law), the Government has established the Business Competition

Pengawas Persaingan Usaha (KPPU) dengan fungsi sebagai pengawas anti monopoli di Indonesia yang memiliki wewenang menerapkan ketentuan UU Anti Monopoli. Selain itu, melalui Surat Keputusan (SK) No.33/2004, Menteri Perhubungan juga menegaskan larangan penyalahgunaan data provasi oleh para penyedia layanan dan jaringan yang memiliki posisi dominan, larangan praktek *dumping* dan berbagai ketentuan operasional terkait lainnya.

Kami mematuhi seluruh ketentuan tersebut, termasuk mendukung praktek persaingan sehat yang anti monopoli, semata-mata dengan mempertimbangkan komitmen Telkom untuk memberi layanan terbaik kepada para pelanggan.

PEMASARAN DAN KOMUNIKASI PEMASARAN

Strategi Pemasaran

Strategi pemasaran kami dapat dilihat pada Laporan Tahunan – Analisa dan Pembahasan Manajemen – Strategi Pemasaran

Komunikasi Pemasaran

Kami merancang dan menjalankan strategi komunikasi pemasaran dengan memperhatikan ketentuan dan peraturan perundang-undangan dan standar industri khususnya yang terkait dengan iklan, promosi dan *sponsorship*, dalam rangka memperkuat merek dagang, serta profil kepada masyarakat umum terkait produk dan layanan Telkom. Kami berupaya memahami karakter dan kebutuhan pelanggan dan pengguna akhir agar sesuai dengan produk dan jasa yang kami tawarkan. Untuk memasarkan produk, kami memanfaatkan media cetak, media audio-visual, juga jalur pemasaran *above and below the line*.

Sementara untuk memberi kemudahan akses kepada para pelanggan, hingga 31 Desember 2016, kami mengelola 566 outlet Plasa Telkom, 416 GraPARI di Indonesia dan 7 pusat GraPARI internasional (di Mecca-Saudi Arabia, Singapore, Hong Kong, Macau, Taipei & Tainan-Taiwan, dan Malaysia), dan juga memiliki 332 outlet GraPARI yang dikelola oleh mitra bisnis kami, dan beberapa diantaranya beroperasi 24 jam. Kami juga mengoperasikan 487 outlet *mobile* GraPARI yang beroperasi menggunakan kendaraan sehingga dapat menjangkau pelanggan ke seluruh pelosok Negeri. Seluruh saluran distribusi dan layanan produk tersebut disediakan agar mudah dijangkau dan di akses oleh para pelanggan, sebagai salah satu bentuk komitmen kami dalam menyediakan layanan yang berkualitas.

Supervisory Commission (KPPU) to function as an anti-monopoly supervisory body in Indonesia, which has the authority implement the provisions of the Anti-Monopoly Law. In addition, through Decree (SK) No.33/2004, the Minister of Transportation also reaffirms the prohibition of data abuse by service providers and networks which have dominant positions, the ban on the practice of dumping and various other related operational provisions.

We comply with all of the above provisions, including supporting the practice of anti-monopolistic and healthy competition, solely on the basis of Telkom's commitment to provide the best service to its customers.

MARKETING AND MARKETING COMMUNICATION

Marketing Strategy

Our marketing strategy can be seen in the Annual Report - Management's Discussion and Analysis - Marketing Strategy.

Marketing Communications

We plan and implement our marketing communication strategy by taking into account rules and regulations and industry standards, particularly related to advertising, promotion and sponsorship, to strengthen our brand as well as profile to the general public regarding Telkom's products and services. We aim to understand the character and needs of customers and end users to be in line with the products and services that we offer. To market our products, we utilize print media, audio-visual media, as well as above and below the line marketing channels.

Meanwhile, to provide ease of access to our customers, until 31 December 2016, we have managed 566 Plasa Telkom outlets, 416 GraPARI in Indonesia and 7 international GraPARI center (in Mecca-Saudi Arabia, Singapore, Hong Kong, Macau, Taipei & Tainan-Taiwan, and Malaysia), as well as 332 GraPARI outlets managed by our business partners, several of them operating for 24 hours. We also operate 487 mobile GraPari outlets operated using a vehicle so as to enable them to reach customers throughout the country. All channels of distribution and product services are made available to be easily accessible to customers, as our commitment in providing quality service.

Kami senantiasa memenuhi seluruh spesifikasi produk dan jasa yang disampaikan dalam brosur pemasaran terkait, sehingga tidak ada pelanggaran atau denda yang diakibatkan oleh adanya pengaduan karena ketidaksesuaian produk dengan brosur pemasaran. [G4-PR7]

Jaringan Distribusi Pemasaran

Kami telah mengembangkan jaringan distribusi dan pemasaran produk yang mudah diakses oleh masing-masing segmen pelanggan, sebagaimana terangkum dalam *box text* berikut:

We always meet all product service specifications contained in the relevant marketing brochures, to avoid any violation or fines that may result from a complaint due to inconsistencies between a product and the related marketing brochures. [G4-PR7]

Marketing Distribution Network

We have developed a product distribution and marketing network that is easily accessible for each of our customer segment, as reflected in the following text box:

Jalur Distribusi Layanan dan Produk Telkom

- Plasa Telkom dan Grapari - berfungsi sebagai *walking customer service points* di mana pelanggan dapat mengakses ke seluruh produk dan layanan Telkom.
- *Contact Center* menangani pertanyaan-pertanyaan mengenai produk, layanan dan transaksi nasabah, kecuali fungsi *payment*, selain *fungsi* layanan pelanggan dan *telemarketing*.
- *Partnership Store* - perpanjangan jalur distribusi kami melalui kerja sama dengan berbagai outlet pemasaran pihak ketiga.
- *Dealer* resmi dan gerai retail, merupakan Outlet pendistribusian beragam produk telekomunikasi seperti *starter pack*, kartu SIM prabayar dan *voucher* isi ulang.
- *Account Manager (AM)* - pengelola relasi dan *account portfolio* dari pelanggan segmen korporasi dan pemerintah.
- *Sales Specialist*, tim yang dibentuk untuk memberikan rekomendasi solusi yang tepat dan efektif kepada pelanggan korporasi (*corporate customer*) bersama dengan AM.
- *Tele Account Management (TAM)*, mendukung pelanggan SME atau pelanggan bisnis prospektif melalui panggilan *inbound* dan *outbound*.
- *Channel Partner*, yang berperan sebagai reseller yang membantu Divisi *Enterprise Service* dalam aktivitas sales dan marketing untuk pelanggan tertentu (di kawasan bisnis).
- *Value Added Reseller (VAR)*, jalur utama untuk mengelola hubungan kemitraan dengan komunitas (*community*).
- *Digital Touch Point* - Layanan Aplikasi berbasis web dan *mobile* yang kami sediakan bagi pelanggan IndiHome dan pelanggan korporat.
- *Website* perusahaan - dapat diakses pelanggan melalui situs *online* korporat, www.telkom.co.id dan www.telkomsel.com, menyediakan layanan pendaftaran, *e-billing*, pendaftaran tagihan kolektif dan penyampaian keluhan.
- *Social Media* - layanan interaksi melalui media sosial terutama Facebook, Instagram dan twitter.

Disrtibution Channel Services and Telkom Products

- Plasa Telkom and Grapari are places having their functions as walking customer service points in which the customers may be able to have access to all of Telkom's products and services.
- Contact Center handles the queries on products, services, and customer's transaction, except for the payment function. Telkom's Call center also operates the customers service and telemarketing program.
- Partnership Store - is the extension of our distribution channel, with various third party marketing outlets.
- Authorized dealer and retail outlet, constitute the distribution Outlet for various telecommunication products such as starter pack, prepaid SIM card and rechargeable voucher.
- Account Manager (AM) - having the duty to manage the relationship and account portfolio of the customer from large-scaled corporate segment (large enterprise), government.
- Sales Specialist, constitutes a team that is formed to give recommendation of proper and effective solution to the corporate customer together with AM.
- Tele Account Management (TAM), will support MSME customers or prospective business customers through inbound and outbound calls.
- Channel Partner, having the role as reseller that helps the Division of Enterprise Service in the sales and marketing activities to fulfil the needs of certain customers (in a business district).
- Value Added Reseller (VAR), the main channel to manage the partnership relation with the community.
- Digital Touch Point - A web and mobile application-based services which we provide to our IndiHome subscribers and corporate cutomers.
- Company website - that may be accessed by the customers through the corporate online site, www.telkom.co.id and www.telkomsel.com. The available services consist of the registration, e-billing, registration for collective billing and complaint submission.
- Social Media - we use mainly social media of Facebook, Instagram and twitter.

PARA PELANGGAN KAMI

Dengan area operasi meliputi seluruh wilayah Indonesia dan jangkauan produk dan jasa yang meliputi seluruh segmen, baik perseorangan maupun korporasi, kami mencatatkan jumlah pelanggan yang beragam di masing-masing segmen, seperti berikut:

OUR CUSTOMERS

With an operation area covering the entire territory of Indonesia and product and service reach encompassing all segments, both individual and corporations, we note the number of customers in each segment, as follows:

	Satuan / Unit	Tahun-tahun yang berakhir pada 31 Desember / Years ended on 31 December		
		2016	2015	2014
Pelanggan Broadband / Broadband Customers				
Fixed broadband	(000) pelanggan / customers	4,329	3,983	3,400
Mobile broadband	(000) pelanggan / customers	60,030	43,786	31,216
Total Pelanggan Broadband / Total Broadband Customers	(000) pelanggan / customers	64,359	47,769	34,616
Pelanggan Seluler / Cellular Customer				
Pasca bayar/Postpaid Cellular Services (kartuHalo)	(000) pelanggan / customers	4,180	3,509	2,851
Pra bayar/Prepaid Cellular Services (simPATI, Kartu As, Loop)	(000) pelanggan / customers	169,740	149,131	137,734
Total Pelanggan Seluler / Total Cellular Customer	(000) pelanggan / customers	173,920	152,641	140,586
Pelanggan Telepon Tetap / Fixed Wireline Customer				
Fixed wireline (POTS)	(000) pelanggan / customers	10,663	10,277	9,698
Fixed wireless	(000) pelanggan / customers	N/A(1)	N/A(1)	4,404
Total Pelanggan Telepon Tetap / Total Fixed Wireline Customer	(000) pelanggan / customers	10,663	10,277	14,102
Pelanggan Lainnya / Other Customer				
Datacomm	Mbps	764,397	1,907,012	930,327
Satelit-transponder	MHz	6,801	4,648	3,560

⁽¹⁾ Sampai dengan akhir tahun 2015, pelanggan wireless mendapatkan program migrasi menjadi pelanggan seluler

MENINGKATKAN KEPUASAN PELANGGAN

Sebagai bentuk komitmen kami terhadap upaya memenuhi harapan para pelanggan, kami merealisasikan berbagai program yang ditujukan untuk meningkatkan kepuasan pelanggan, sebagai berikut:

- **Program Telkom *Integrated Quality Assurance* (TIQA)**
Peningkatan orientasi pegawai agar lebih peduli terhadap kepuasan layanan kepada pelanggan, yang dilakukan melalui penerapan program *Telkom Integrated Quality Assurance* (TIQA) dengan kerangka kerja ROSE (*Raise on Service Excellence*).
- **Garansi Purnajual**
Penerapan kompensasi yang adil melalui pemberlakuan garansi purnajual (*service level guarantee/SLG*) dalam rangka memastikan pemenuhan standar layanan purnajual.

ENHANCING CUSTOMER SATISFACTION

As part of our commitment to conduct efforts to meet customer expectations, we have realized various programs aimed at increasing customer satisfaction, as follows:

- **Telkom *Integrated Quality Assurance* (TIQA) Program**
Enhancing employee orientation to be more concerned about the satisfaction of service to customers, which is done through the implementation of the *Telkom Integrated Quality Assurance* (TIQA) program using the ROSE (*Raise on Service Excellence*) framework.
- **Warranty After Sales**
The application of fair compensation through the implementation of post-sale warranty (*service level guarantee/SLG*) in order to ensure post-sale service compliance.



• Layanan Pelanggan

Penerapan kebijakan layanan, sebagai wujud komitmen Telkom untuk memberikan layanan terbaik kepada pelanggan, meliputi:

- o *Service Delivery*.
Penetapan pengelolaan ketentuan *Service Level Agreement (SLA)* untuk pengendalian *service delivery* khususnya terkait dengan infrastruktur jaringan (*network infrastructure*).
- o *Service Assurance*
Penetapan *standard product* dan *basic solution* menggunakan *service level guarantee (SLG)* dengan melibatkan peran *engineer on site (EoS)* dalam membantu kegiatan *problem handling* yang berkedudukan di lokasi pelanggan atau di kantor Telkom baik *shared EoS* dan *dedicated EoS*.
- o Pengukuran Kualitas Layanan
Kami melakukan pengukuran kualitas layanan pada beberapa tahap sesuai proses layanan. Pada proses interaksi dengan *channel* distribusi, kami melakukan *mystery shopping* dan *mystery calling* untuk memastikan standar pelayanan diterapkan secara konsisten dan berkualitas. Indikator hasil pengukuran tersebut adalah *Service Quality Index* yang dimonitor dan dievaluasi setiap bulan.

Kemudian setiap tahun kami melakukan *customer satisfaction and loyalty survey (CSLS)*. Indikator yang kami ukur adalah *customer satisfaction index (CSI)*, *customer dissatisfaction index (CDI)* dan *customer loyalty index (CLI)*. Indikator tersebut mengukur tingkat kepuasan pelanggan terhadap empat pilar parameter yang terdiri dari produk, harga, promosi dan pelayanan.

PENANGANAN KELUHAN PELANGGAN

Kami menyediakan berbagai sarana dan prasarana yang memungkinkan pelanggan menyampaikan keluhan maupun *complain* atas kualitas produk dan layanan yang tidak sesuai dengan kualifikasi yang telah ditawarkan sebelumnya. Kebijakan umum yang berlaku adalah keluhan menyangkut kesesuaian antara brosur produk dengan realisasi produk diselesaikan dalam waktu kurang dari 24 jam. Namun untuk penyelesaian keluhan pelanggan terkait administrasi dan ketidaksesuaian tarif maupun aplikasi produk memerlukan waktu lebih lama, karena adanya tahapan verifikasi.

• Customer service

The implementation of service policies, as Telkom's commitment to provide the best service to customers, include:

- o *Service Delivery*
Determination of the management of the provisions of the Service Level Agreement (SLA) for the control of service delivery, especially related to network infrastructure (network infrastructure).
- o *Service Assurance*
Determination of product standards and a basic solution using service level guarantee (SLG) by involving engineers on site (EOS) to assist the problem handling activities located at the customer site or in the Telkom's office both shared and dedicated EOS.
- o Measurement of Quality of Service
We measure the quality of service at various stages in accordance to the service process. In the process of interaction with distribution channels, we conduct mystery shopping and mystery calling to ensure that quality service standards are applied consistently. An indicator of the measurement results is the Service Quality Index that is monitored and evaluated every month.

Further, we conduct customer satisfaction and loyalty surveys (CSLS) every year. The indicator that we measure is the customer satisfaction index (CSI), customer dissatisfaction index (CDI) and the customer loyalty index (CLI). It measures the level of customer satisfaction on the basis of the four pillar parameters, which consist of product, price, promotion and service.

THE HANDLING OF CUSTOMER COMPLAINTS

We provide a wide range of facilities and infrastructure that enables customers to submit complaints or complaints on the quality of products and services that do not conform to the qualifications that have been previously offered. The general policy is that a complaint regarding the compatibility between product brochures with actual products is resolved in less than 24 hours. However, the settlement of customer complaints associated with administrative issues and disputes regarding fees require a longer time, due to the verification stage.

Kami membagi penanganan keluhan kedalam dua golongan pelanggan.

1. Segmen Pelanggan Personal

- Telkom menyediakan pusat layanan konsumen yang dapat langsung didatangi di setiap kantor wilayah maupun kantor cabang, dikenal dengan Plasa Telkom.
- Telkom juga menyediakan pusat pengaduan secara *online* di *website* Perseroan (www.telkom.co.id) serta *call center* dengan nomor "147."

Bagi pelanggan seluler, Telkomsel memiliki *call center* dengan merek dagang "Caroline," singkatan dari *Customer Care Online*. Caroline dapat dihubungi melalui nomor-nomor berikut:

- "133" oleh pelanggan kartu Halo;
- "188" (24 jam, berbayar) oleh pelanggan *simPATI* dan Kartu As;
- "0807-1811811" (tarif lokal PSTN) untuk skala nasional.

2. Segmen Pelanggan Korporat

Telkom memiliki tim *account management* dalam mengelola hubungan dengan pelanggan korporat yang didukung oleh *Engineer on Site* (EoS) untuk pelanggan prioritas, *Corporate Customer Access Network (CCAN) Team* untuk delivery layanan dan *Corporate Customer Care Center (C4)* untuk menangani keluhan pelanggan dengan nomor "500250" dan email: tele-am@telkom.co.id bagi pelanggan *business* dan layanan khusus bebas pulsa untuk pelanggan *enterprise* melalui nomor "08001Telkom" (08001835566) dan email: c4@telkom.co.id.

We categorize the handling of customer complaints into two groups.

1. Personal Customer Segment

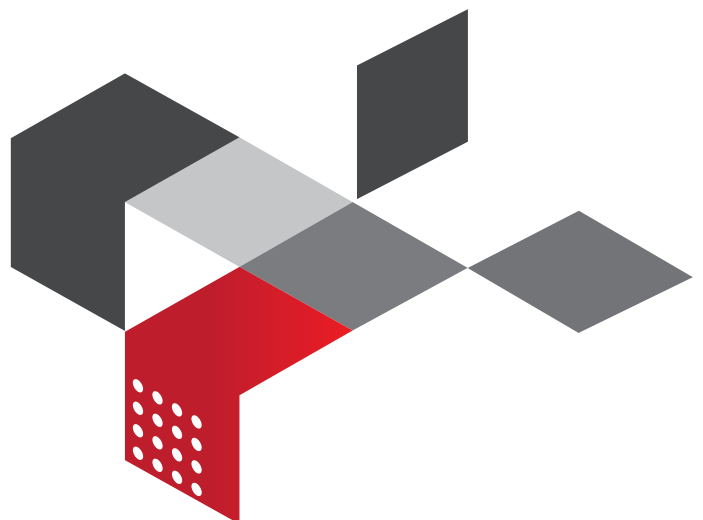
- Telkom provides a customer service center that can be directly visited in every regional office and branch office, known as Plasa Telkom.
- Telkom also provides an online complaint center in the Company's website (www.telkom.co.id) and the "147"

For cellular customers, Telkomsel has a call center with the "Caroline" trade mark, an abbreviation of Customer Care Online. Caroline can be contacted through the following numbers:

- "133" by Halo customers;
- "188" (24 hours, fees apply) by *simPATI* and Kartu As customers;
- "0807-1811811" (local landline tariff) for the national level.

2. The Segment of Corporate Customers

Telkom has an account management team in managing the relationship with corporate customers which is supported with Engineer on Site (EoS) for priority customers, Corporate Customer Access Network (CCAN) Team for service delivery and Corporate Customer Care Center (C4) to handle the customers complaint with the number "500250" and email: tele-am@telkom.co.id for business customers and free special service for enterprise customers through the number "08001Telkom" (08001835566) and email: c4@telkom.co.id.



SURVEI KEPUASAN PELANGGAN [G4-PR5]

Guna mendapatkan *feedback* bagi upaya perbaikan layanan di masa mendatang, kami melaksanakan survei kepuasan pelanggan secara berkala. Latar belakang pelaksanaan survei adalah:

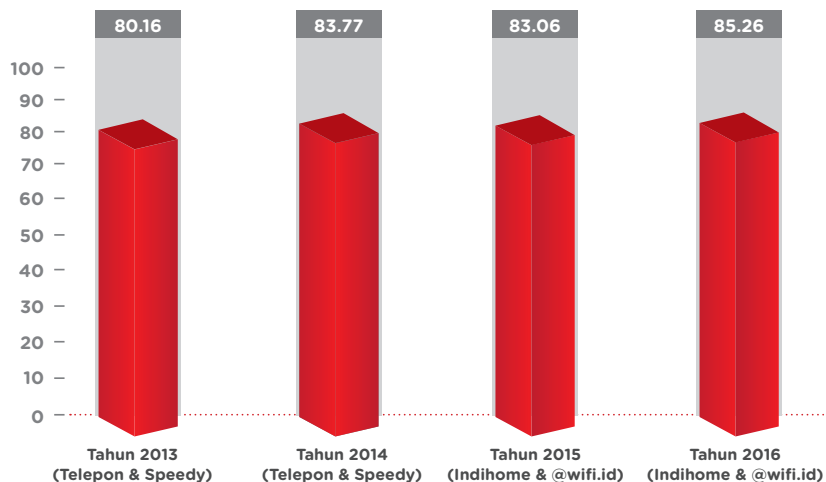
- Wujud manifestasi filosofi *Always the Best* dalam program *service excellence*.
- Meminimalisasi *gap* kepuasan dan kepentingan antara pelanggan dengan Telkom, melalui upaya perbaikan yang komprehensif, sistematis, efektif dan berkesinambungan (*continues improvement*)
- Meningkatkan kepuasan dan loyalitas pelanggan.

a. Pelanggan Konsumer

Survei ditujukan untuk mengetahui Indeks Kepuasan Pelanggan (*Customer Satisfaction Index - CSI*), Indeks ketidakpuasan pelanggan (*Customer Dissatisfaction Indeks - CDI*) dan Indeks Loyalitas Pelanggan (*Customer Loyalty Index - CLI*). Survei dilakukan setiap tahun dan dipresentasikan pada bulan April di tahun berikutnya.

Hasil Survei

Indeks Kepuasan Pelanggan (CSI)



CSI - IndiHome dan wifi.id	CSI - IndiHome and wifi.id	
	IndiHome	Wifi.id
CSI	82,95%	87,57%
Product & Service	79,7%	86,2%
Delivery System	84,4%	87,8%
Service Mindset	84,7%	85,1%
Relationship	86,3%	86,0%
Corporate Image	84,0%	89,7%

CUSTOMER SATISFACTION SURVEY [G4-PR5]

To get feed-back for efforts to improve services in the future, we carry out customer satisfaction surveys on a regular basis. A background of the survey is as follows:

- A manifestation of the “Always the Best” philosophy through the service excellence program.
- Minimizing the gap between customer satisfaction and Telkom’s interest, through comprehensive, systematic, effective and sustainable improvement efforts (continues improvement).
- To increase customer’s satisfaction and loyalty.

a. Personal Customer

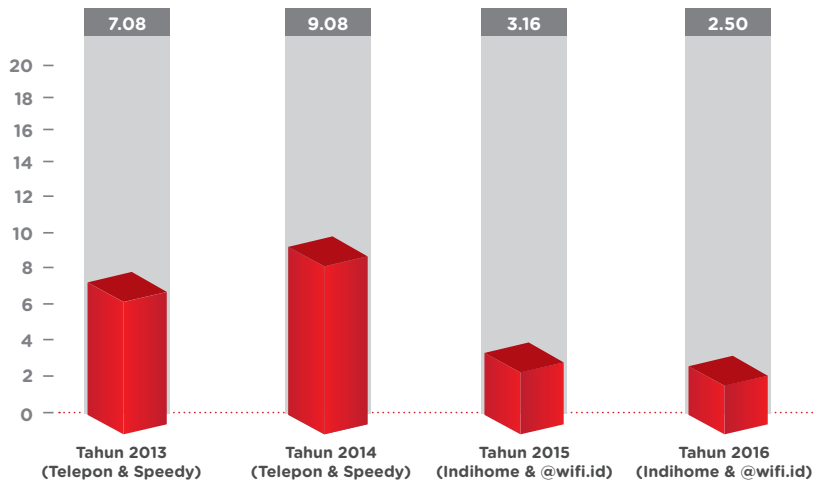
The survey is aimed to seek the Customer Satisfaction Index (CSI), Customer Dissatisfaction index (CDI) and Customer Loyalty Index (CLI). The survey is conducted every year and is presented in April in the following year.

Survey Result

Customer Satisfaction Index (CSI)

Indeks Ketidakpuasan Pelanggan (CDI)

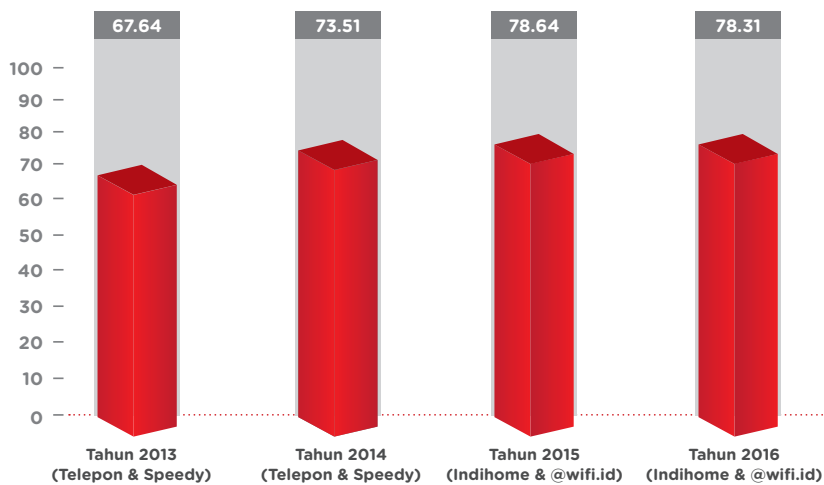
Customer Dissatisfaction Index (CDI)



CDI - IndiHome dan Wifi.id	CDI - IndiHome and Wifi.id	
	IndiHome	Wifi.id
CDI	3,52%	1,47%
Product & Service	4,5%	1,8%
Delivery System	2,9%	2,1%
Service Mindset	2,9%	2,0%
Relationship	2,2%	1,6%
Corporate Image	3,4%	1,0%

Indeks Loyalitas Pelanggan (CLI)

Customer Loyalty Index (CLI)



CLI - IndiHome dan Wifi.id	CLI - IndiHome and Wifi.id	
	IndiHome	Wifi.id
CLI	75,7%	68,8%
Switching Barrier	68,6%	95,5%
Attitude	76,3%	60,5%
Behaviour	72,2%	66,5%
Emotional	84,8%	79,4%

b. Pelanggan Korporat

Survei ditujukan untuk mengetahui Indeks Kepuasan Pelanggan (*Customer Satisfaction Index - CSI*) dan Indeks Loyalitas Pelanggan (*Customer Loyalty Index - CLI*). Pada tahun 2016, telah dilakukan *improvement survey* dengan mengintegrasikan survei kepuasan pelanggan di seluruh BUD dan BUS CFU Enterprise.

b. Corporate Customer

The survey was intended to understand Customer Satisfaction Index (CSI) and Customer Loyalty Index (CLI). In 2016, there was an improvement survey by integrating the customer satisfaction survey all over BUDs and BUSes of CFU Enterprise.

PERLINDUNGAN KONSUMEN [G4-PR8]

Kami terus mengupayakan berbagai inisiatif dan penyempurnaan di bidang pengelolaan keamanan produk (*product safety*), layanan pengaduan dan jaminan purna jual untuk memberikan kenyamanan dan jaminan perlindungan konsumen, antara lain dengan senantiasa:

- memastikan suatu produk yang baru dikembangkan dapat menjadi produk yang tepat sebagai produk komersial yang diterima baik di pasar. Kami menerapkan suatu pedoman standar bagi pelaksanaan proses inkubasi produk inovasi melalui tahapan-tahapan *idea submission, customer and idea validation, product validation, business model validation* dan *market validation*;
- memegang prinsip untuk memastikan produk dan layanan yang dihasilkan berkualitas tinggi dan mampu memberikan manfaat secara maksimal serta berkontribusi dalam pertumbuhan ekonomi;
- menjaga kode etik dalam penjualan produk (penjualan langsung), iklan dan promosi;
- menerapkan praktik beriklan yang beretika dengan memperhatikan ketentuan kode etik periklanan di Indonesia;
- memastikan bahwa produk dan layanan purnajual dapat secara mudah tersedia bagi publik;

CUSTOMER PROTECTION [G4-PR8]

We continue to pursue a variety of initiatives and improvements in the field of product safety, complaints services and after-sales guarantees to provide comfort and consumer protection guarantees, among others, by constantly:

- ensuring that newly developed products can be the right commercial product that is well received in the market. We apply a standard guideline for the implementation of the product innovation incubation process through the stages of idea submission, customer and idea validation, product validation, business models and market validation;
- holding the principle of ensuring that the resulting products and services are of high quality and are able to provide maximum benefits and contribute to economic growth;
- maintaining a code of ethics in product sales (direct sales), advertising and promotion;
- implementing ethical advertising practices by taking into account applicable advertising code of ethics in Indonesia;
- ensuring that the products and after sales service are easily available to the public;



- mendukung penerapan prinsip-prinsip dan praktik persaingan yang sehat;
- berorientasi pada kepuasan pelanggan;
- memenuhi tolok ukur yang dipersyaratkan dalam beberapa Peraturan Menteri yang mengatur standar kualitas layanan, yaitu Peraturan Menteri tentang Pencapaian Standar Kualitas Layanan Jaringan Tetap Lokal, Jaringan Tetap SLJJ, Jaringan Tetap Sambungan Internasional, Jaringan Tetap Lokal, dan Jasa Internet Teleponi untuk Keperluan Publik (“ITKP”); dan
- memberikan kompensasi jika pelayanan tidak sesuai dengan tolok ukur yang dipersyaratkan.
- supporting the implementation of the principles and practices of fair competition;
- prioritizing customer satisfaction;
- meeting the benchmarks required under several regulations that set the standard of quality of service, namely the Ministerial Regulation on Achieving Local Fixed Network Service Quality Standards, Network Equipment DLD, International Fixed Networks, Local Fixed Networks, and Internet Telephony Services for Public Interest (“VoIP”); and
- provide compensation if services do not comply with the required benchmarks.





MENGEMBANGKAN INSAN TELKOM BERWAWASAN DIGITAL

DEVELOPING TELKOM EMPLOYEES WITH
DIGITAL BASED KNOWLEDGE

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Human Capital Master Plan
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MENGEMBANGKAN INSAN TELKOM BERWAWASAN DIGITAL

“Transformasi SDM dan Culture yang kuat merupakan kunci keberhasilan Telkom menuju Digital Company”

- Herdy Harman

Telkom memandang sumber daya manusia (“SDM”) Perseroan sebagai modal (“*human capital*”) serta ujung tombak pencapaian tiga sasaran keberlanjutan: *profit, people dan planet*. Karyawan adalah mitra bisnis perusahaan yang sangat penting mengingat bahwa karyawan adalah pelaku utama dalam transformasi perusahaan sekaligus aset utama dalam mensukseskan pencapaian tujuan bisnis perusahaan.

Sebagai wujud peran sentral karyawan tersebut, kami menerapkan strategi pengembangan SDM berbasis kompetensi yang diaplikasikan ke dalam perencanaan tenaga kerja secara menyeluruh dan telah menyusun program pengembangan yang akan memastikan visi Perseroan, *be the King of Digital*.

Dengan pengelolaan SDM yang menyeluruh dan solid tersebut kami meyakini telah sejalan dengan Butir-8 dari rumusan pembangunan berkelanjutan skala global dalam SDGs, “Pertumbuhan Ekonomi dan Pekerjaan yang Layak - Mendukung pertumbuhan ekonomi yang berkelanjutan dan inklusif, membuka kesempatan kerja seluas-luasnya, produktif serta menciptakan pekerjaan yang layak untuk semua”.

HUMAN CAPITAL MASTER PLAN

Kami telah menerapkan *Human Capital Master Plan* (“HCMP”) terpadu sejak beberapa tahun terakhir, guna memastikan pengelolaan *Human Capital* yang terbaik. HCMP tersebut menggambarkan kerangka kerja pengelolaan *Human Capital* yang terdiri atas pengelolaan *People, Culture, dan Organization* serta telah menetapkan 10 program inisiatif *human capital* yang disingkat *BEST PEOPLE*, sebagai berikut.

DEVELOPING TELKOM INDIVIDUAL WITH DIGITAL KNOWLEDGE

“Transforming strong Human Resources and Culture as Telkom’s key success towards Digital Company”

- Herdy Harman

Telkom sees the company’s human resources (HR) as human capital and the spearhead in achieving 3 sustainable goals: profit, people and planet. Employee is the company’s most important business partner considering that the employee is the main actor in transforming the corporation as well as the main asset in achieving the corporate’s business goal.

As the embodiment of the central role of the employees, we apply HR development strategy based on competence which then applied to the entire labor planning (system) to create a development program that will ensure the Corporate vision to be *the King of Digital*.

That kind of thorough and solid HR management we believe is aligned with Goal-8 of the Sustainable Development Goals “Decent Work and Economic Growth: promote inclusive and sustainable economic growth, employment and decent work for all”.

HUMAN CAPITAL MASTER PLAN

We have applied the integrated Human Capital Master Plan (“HCMP”) since the past few years to ensure the best Human Capital management. The HCMP illustrates the framework for Human Capital management which includes people, culture and organization management. We have also applied 10 human capital initiative programs known as *BEST PEOPLE*, as follows

Human Capital Strategic Initiatives : B-E-S-T P-E-O-P-L-E

OBJECTIVE	10 HCM STRATEGIC INITIATIVES	
GREAT LEADER & GREAT PEOPLE	1	B uild Strong Leadership Pipeline By Managing Talent Cycle
	2	E mbrace & Stengten The Telkom Way By Incorporating Digital Disruptive Culture
GREAT CULTURE & GREAT SYSTEM	3	S et Partnership To Accelerate Building Of Future HC Capabilities
	4	T ransform HC System Towards A More Integrated HCM Model
GREAT ORGANIZATION	5	P romote New HCM Organization
	6	E nhance Organization Based on CFU
	7	O rganize Workforce & Align Competency to support Telkom's New Portofolio Strategy
GREAT HUMAN CAPITAL FUNCTION	8	P romote Excellence Human Capital Metrics & Data Analytics
	9	L ead Effective Change Management Program To Support CFU Transformation
	10	E nrich HCM Into Strategic Business Partner

PENGELOLAAN KARYAWAN

KEBIJAKAN UMUM

Sasaran pengelolaan SDM adalah untuk membentuk *great leader* dan *great people* dengan produktivitas karyawan di atas standar produktivitas di industri telekomunikasi serta tingkat keterikatan (*engagement*) yang tinggi dalam menjalankan portofolio bisnis Telkom Group yang semakin fokus pada TIMES. Setiap aturan internal ketenagakerjaan yang kami buat senantiasa mengacu kepada Undang-Undang No.13 Tahun 2003 tentang Ketenagakerjaan dan Perjanjian Kerja Bersama ("PKB") antara manajemen dan serikat karyawan.

REKRUTMEN [G4-LA1]

Seiring dengan perubahan portofolio bisnis menjadi *Digital TIMES Portofolio*, kami kemudian merubah komposisi pekerjaan untuk lebih mendukung bisnis digital. *Stream* pekerjaan yang harus ditingkatkan baik dalam hal kuantitas maupun kualitas adalah *stream Information* serta *Media & Edutainment*. Oleh karenanya, sejak tahun 2016, kami menetapkan kebijakan baru proses dan ketentuan Rekrutmen.

Tujuan strategis dari program rekrutmen kami adalah untuk mendapatkan SDM terbaik (*find the best talent*) yang terdapat di pasar tenaga kerja, sehingga objektif Perseroan untuk melakukan regenerasi leader Telkom masa depan, di samping memperkuat keunggulan dalam berbisnis, bisa terwujud. Adapun aktivitas rekrutmen yang dijalankan adalah *web-based recruitment*, *national campus recruitment*, *international campus recruitment*, jalur khusus prestasi, *prohire recruitment* dan *socio-digi leader*.

EMPLOYEE MANAGEMENT

GENERAL POLICY

The target of HR management is to create great leader and great people with higher employee productivity above the telecommunication industry's productivity standard and high engagement level in running the Telkom Group business portfolio that focused more on TIMES. Every internal labor regulation we issue refers to Law No.13/2003 on Labor and also to the Perjanjian Kerja Bersama (Joint Labor Contract) between the management and the labor union.

RECRUITMENT [G4-LA1]

In line with the change in business portfolio that becomes *Digital TIMES Portfolio*, we changed the work composition to be more in support of the digital business. Work stream that needs to be enhanced quantitative and qualitatively are the *information stream and Media & Edutainment*. Thus, since 2016 we set new policy in Recruitment rules and procedure.

The strategic goal of our recruitment program is to find the best talent available in the labor market, so that Telkom's objective, for future leader regeneration as well as in strengthening business excellence, can be accomplished. The recruitment itself is being done through web-based recruitment, national campus recruitment, international campus recruitment, special achievement track, prohire recruitment and socio-digi leader.

Metode Rekrutmen Terbaru New Recruitment Method

Dalam rangka mengantisipasi meningkatnya level persaingan, kemajuan teknologi dan kompleksnya operasional Perusahaan, kami menetapkan kebijakan rekrutmen baru, yang diantaranya menetapkan kriteria kandidat karyawan, meliputi:

In anticipating increased competition, technological advances and the complexity of the Company's operations, we set a new recruitment policy, which includes setting criteria for employee candidates as follows:

- Culture Fit
- Attitude
- Foreign Language Test
- Cognitive Skill
- Technical Skill
- Conceptual Skill
- Soft Skill
- Medical Test

Di tahun 2016, sebagai hasil proses rekrutmen, Telkom menambah **446** orang karyawan baru, sebagai berikut. [G4-LA1]

In 2016, Telkom recruitment process resulted in **446** new employees, as follows. [G4-LA1]

Klasifikasi Classification	2016			2015		
	Pria Men	Wanita Women	Jumlah Total	Pria Men	Wanita Women	Jumlah Total
Karyawan baru: New employee:						
Karyawan baru per kelompok umur New employee per age group						
18-25 tahun 18-25-year-old	200	202	402	170	200	370
26-30 tahun 26-30-year-old	20	24	44	66	30	85
Jumlah Total	220	226	446	226	230	455

PENGEMBANGAN HUMAN CAPITAL BERBASIS KOMPETENSI

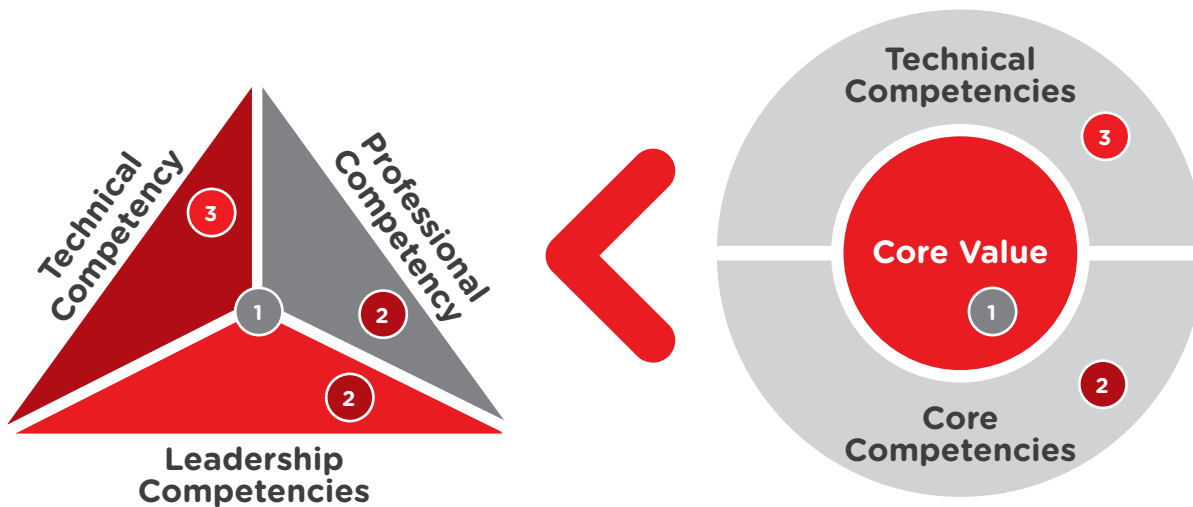
Kami memfokuskan pengembangan kompetensi *human capital* Telkom pada upaya:

- pengembangan budaya, yang fokus pada internalisasi dan penguatan *core values* Perusahaan sebagai basis pembentukan budaya, yaitu *Integrity, Enthusiasm, Totality, Solid, Speed, Smart, Imagine, Focus, dan Action*;
- pengembangan kemampuan peran, yang terfokus pada pengembangan kualitas pribadi yang dibutuhkan oleh setiap kategori peran yang dipilih/didefinisikan; dan
- pengembangan kemampuan sesuai tuntutan pekerjaan.

COMPETENCE-BASED HUMAN CAPITAL DEVELOPMENT

We focused Telkom's human capital competence development on the following:

- culture development, which focuses on internalizing and strengthening the corporate's core values as a basis of culture-shaping which includes Integrity, Enthusiasm, Totality, Solid, Speed, Smart, Imagine, Focus, and Action;
- role and skill development, that focuses on development of personal qualities that is needed in all role categories as defined.
- competence/skill development as required by the task.



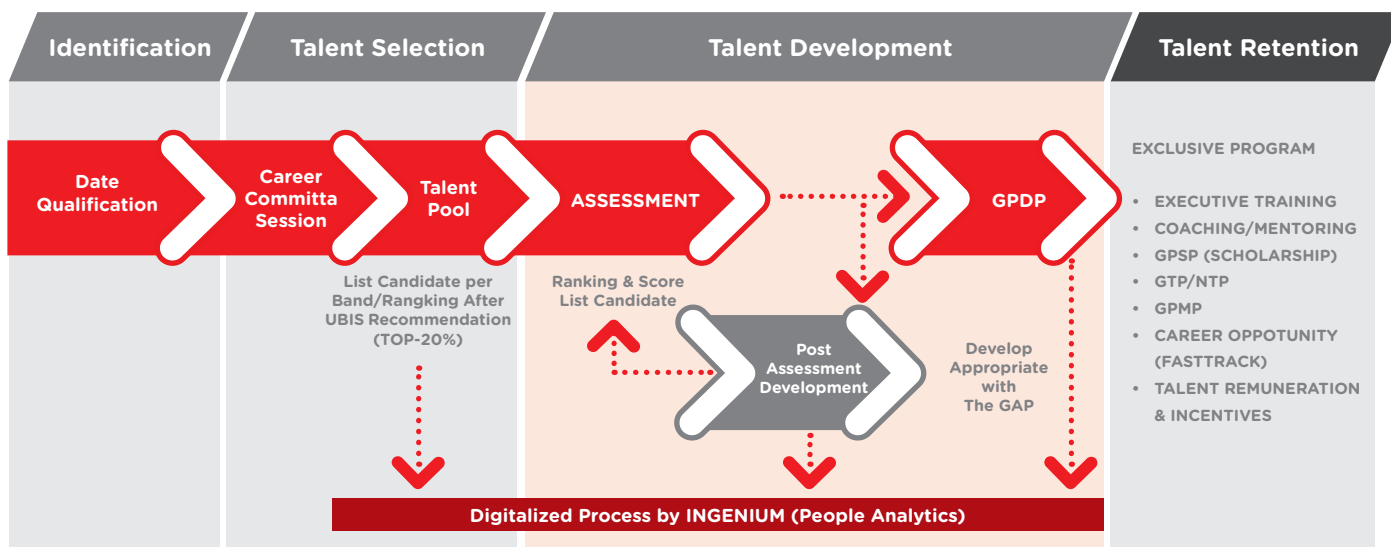
Model kompetensi yang kami gunakan merujuk pada Three-prong Model yang dimodifikasi, yakni mencakup kompetensi mandatori (*Leadership Competency*, *Technical Competency*, dan *Professional Competency*) dengan ditambahkan *core values* perusahaan. Walaupun *core values* ini berbeda dengan kompetensi karena sifatnya *intangible* namun kami meletakkan nilai-nilai tersebut sebagai pusat dari model kompetensi karena *core values* sangat esensial bagi Telkom Group.

Model kompetensi ini kami implementasikan dalam pengelolaan talent dalam lingkup Telkom Group. Secara umum, pengelolaan talent dilakukan merujuk pada kerangka sebagai berikut:

The competency model that we apply refers to the modified Three-prong Model, which includes mandatory competencies (*Leadership Competency*, *Technical Competency* and *Professional Competency*) added with the company's core values. Although the core values are different from the competencies because of their intangible nature, we put these values as the center of competency model given that core values are very essential to Telkom Group.

We implement this competency model in the talent management within the scope of Telkom Group. In general, the talent management is carried out by referring to the framework as follows:

Talent Management Framework



PROGRAM PENDIDIKAN DAN PELATIHAN [G4-LA9]

Pengembangan kompetensi SDM kami lakukan melalui pelaksanaan program pelatihan dan pendidikan yang bersifat perubahan kompetensi dan pengembangan kompetensi khusus pimpinan (SUSPIM) yang berubah nama menjadi *Great People Development Program* (GPDP) maupun Pelatihan Reguler. Kami juga menyelenggarakan berbagai program peningkatan dan pelatihan kompetensi bagi karyawan yang saat ini dikelola melalui Telkom Corporate University (“Telkom CorpU”).

Harapannya Telkom CorpU dapat menciptakan suatu sistem yang dapat melahirkan *leader* dan *people* yang unggul, dengan tiga fungsi utama, yakni:

- *Center of chiefship (creating great leader)*
- *Center of competence (creating great people)*
- *Center of certification (creating global standard)*

Sejak didirikan sampai tahun 2016 - Telkom CorpU telah mendidik 96.974 orang kandidat karyawan Telkom. Pada tahun 2016, CorpU telah menyelenggarakan pelatihan sertifikasi yang diikuti oleh 426 karyawan, 19 program GPDP yang diikuti 508 orang, serta 2.002 program pelatihan reguler dengan peserta sebanyak 25.447 orang.

Adapun rata-rata jumlah jam pelatihan per karyawan selama tahun 2016 adalah 28,07 jam/karyawan, sementara di tahun 2015 21,49 jam/karyawan. [G4-LA9]

Rekapitulasi Pelatihan Human Capital Telkom 2015 - 2016 [G4-LA9]

EDUCATION AND TRAINING PROGRAM [G4-LA9]

We are developing the HR competence through the education and training program having the nature of changing and improving leaders' competencies, which is now known as *Great People Development Program* (GPDP), and through Regular Training. We also run various skill training and enhancement programs for employees that is now managed by Telkom Corporate University (“Telkom CorpU”).

Hopely Telkom CorpU may create a system to produce exceptional people and leader, with three main functions, namely:

- *Center of chiefship (creating great leader)*
- *Center of competence (creating great people)*
- *Center of certification (creating global standard)*

Since its inception up to 2016 - Telkom CorpU has produced 96,974 Telkom's employee candidates. In 2016, CorpU has held certification training followed by 426 employees, 19 GPDP program which followed by 508 people, as well as 2,002 regular training program with 25,447 people participants.

The average training hour per each employee in 2016 is 28.07 hour/employee, while in 2015 the average was 21.49 hour/employee. [G4-LA9]

Telkom's Human Capital Training Recap, 2015 - 2016 [G4-LA9]

Jenis Pelatihan Type of Training	2016				2015			
	Peserta Participation		Jumlah Total	Jam Hour Pelatihan Training	Peserta Participation		Jumlah Total	Jam Hour Pelatihan Training
	Pria Men	Wanita Women			Pria Men	Wanita Women		
Pelatihan Sertifikasi Certification Training	308	118	426	14.168	471	168	639	21.712
Pelatihan SUSPIM SUSPIM Training	446	62	508	38.880	243	28	271	21.680
Pelatihan Reguler Regular Training	19.849	5.598	25.447	498.885	13.335	3.179	16.514	379.389
• Bidang Teknis Operasional Technical Operational	12.385	3.493	15.878	177.191	3.883	488	4.371	111.913
• Bidang Manajemen Management	7.464	2.105	9.569	321.694	9.452	2.691	12.143	267.476
Jumlah Total	20.603	5.778	26.381	551.933	14.049	3.375	17.424	422.781

Pelaksanaan seluruh program pelatihan dan pendidikan selama tahun 2016 tersebut membutuhkan dana senilai Rp95,13 miliar (2015:Rp78,83 miliar), atau rata-rata sebesar Rp1,4 juta (2015: Rp1,9 juta) per karyawan.

Mulai tahun 2016, budaya pembelajaran bergeser menjadi pembelajaran mandiri (*self-led learning*) dengan menggunakan pelatihan berbasis digital (*e-Learning*) dengan total akses sejumlah 93.321 hit, jumlah kelulusan sebanyak 52.752 akses lulus, dan sebanyak 15.518 karyawan unik yang melakukan akses ke program *e-Learning* sehingga biaya pembelajaran per karyawan menurun.

PENGEMBANGAN KARIR [G4-LA11]

Kami telah memfokuskan penilaian atas kinerja karyawan terhadap dua aspek, yaitu aspek hasil, berdasarkan sasaran kerja individu dan aspek proses, berdasarkan kompetensi-kompetensi yang dipersyaratkan. Hasil penilaian kompetensi selanjutnya dikaitkan dengan proses-proses HR, antara lain untuk kepentingan pengembangan kompetensi, pengembangan karir, reward/remunerasi, kinerja, bahkan untuk kebijakan pensiun dini. [G4-DMA]

Melalui Individual Development Program (IDP) kami menyediakan jalur pengembangan kompetensi karyawan talent dengan kompetensi standar dan khusus. Untuk karyawan yang memiliki kompetensi dan/atau performa kerja yang paling tinggi, kami memasukkan kedalam program Top Talent Telkom Group (Top Talent), yang kelak akan mengisi posisi layer 1 dan 2 di jajaran Telkom Group.

Sebagai tindak lanjut pengembangan kompetensi, pada tahun 2016, 2.451 karyawan (2015:2.419 karyawan) dengan level manajemen telah menjalani proses asesmen kinerja menggunakan kriteria KPI Individu dan KPI Team dengan rincian sebagai berikut:

Implementation of the entire education and training program in 2016 required Rp95.13 billion (2015: Rp78.83 billion), or in average around Rp1.4 million (2015: Rp1.9 million) per employee.

Starting in 2016, the learning culture shifted to self-led learning by using the digital-based training (*e-Learning*) with a total access of 93,321 hit, total number of graduates of 52,752 graduation access, and around 15,518 unique employees whom accessed the *e-Learning* program that lowered the cost of learning for each employee.

CAREER DEVELOPMENT [G4-LA11]

In evaluating employee's performance, we focused on two aspects namely the aspect of result, based on individual working target, and process, based on required competence. The result of competence evaluation will then be linked to HR procedures, including for the interest of competence development, career development, reward/remuneration, performance and even the policy of early retirement. [G4-DMA]

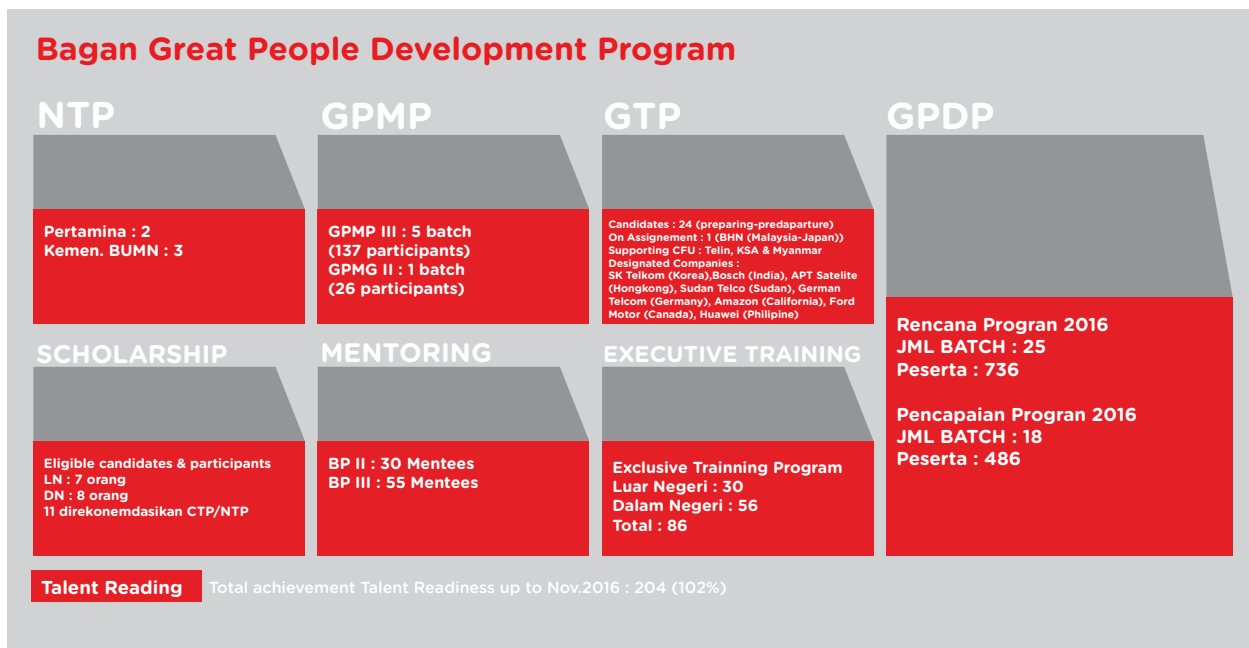
Through the Individual Development Program (IDP) we provide employee's competence development track with standard and special competence. For employees with highest level of competence or performance, we include them to the Telkom Group Top Talent program that in the future is envision to fill up the top layer 1 and layer 2 positions in the Group.

As a follow up to the competence development program, in 2016 2,451 employees (2015:2,419 employees) in management level has gone through work performance assessment process using the individual KPI and team KPI indicators as follows:

Posisi Manajerial Managerial Position	2016			2015		
	Pria Men	Wanita Women	Jumlah Total	Pria Men	Wanita Women	Jumlah Total
Band Posisi I <i>Band Position I</i>	110	8	118	92	6	98
Band Posisi II <i>Band Position II</i>	420	40	460	402	28	430
Band Posisi III <i>Band Position III</i>	1.661	212	1.873	1.686	205	1.891
Jumlah Total	2.191	260	2.451	2.180	239	2.419

Bagi karyawan yang tidak menduduki jabatan sebagai pimpinan, penilaian berkala tetap kami lakukan dengan menggunakan kriteria KPI Individu. Penilaian berkala ini kami terapkan kepada seluruh (100%) karyawan.

Employees not in leadership position we conduct periodical assessment by using the individual KPI criteria. This periodical assesment is applied to all employees (100%).



KESETARAAN DAN KESAMAAN KESEMPATAN

Seluruh peraturan yang berlaku di Telkom Group kami terapkan secara konsisten dan setara kepada seluruh karyawan tanpa membedakan *gender*. Demikian pula dengan kesempatan kerja yang ditawarkan berlaku bagi seluruh karyawan, dimana posisi-posisi yang ada tidak mencantumkan kualifikasi yang membedakan berdasarkan *gender*, demikian juga dengan hak-hak karyawan (kompensasi, manfaat/benefit, kesempatan pengembangan karir dan kompetensi, waktu kerja, fasilitas kerja) dan kewajiban karyawan.

Kualifikasi yang selama ini diberlakukan untuk seluruh posisi jabatan (*position requirement*) hanya mensyaratkan pendidikan, kompetensi (*soft skill* dan *hard skill*), dan kinerja.

PAKET KESEJAHTERAAN

REMUNERASI BERBASIS KOMPETENSI DAN PERFORMANSI

Kami menerapkan paket remunerasi yang menarik dan kompetitif dengan tetap mengacu pada peraturan yang berlaku dan senantiasa disesuaikan agar kompetitif dengan kondisi pasar. Sejak tahun 2015, kami telah menerapkan kebijakan dan pemberian manfaat bagi karyawan Telkom dengan mengadopsi filosofi *total rewards*, yang berbasis *foundational rewards*, *performance rewards*, serta *career* dan *environmental rewards*. Kami juga melaksanakan *benchmarking* harga pasar secara berkala.

EQUALITY AND EQUAL OPPORTUNITY

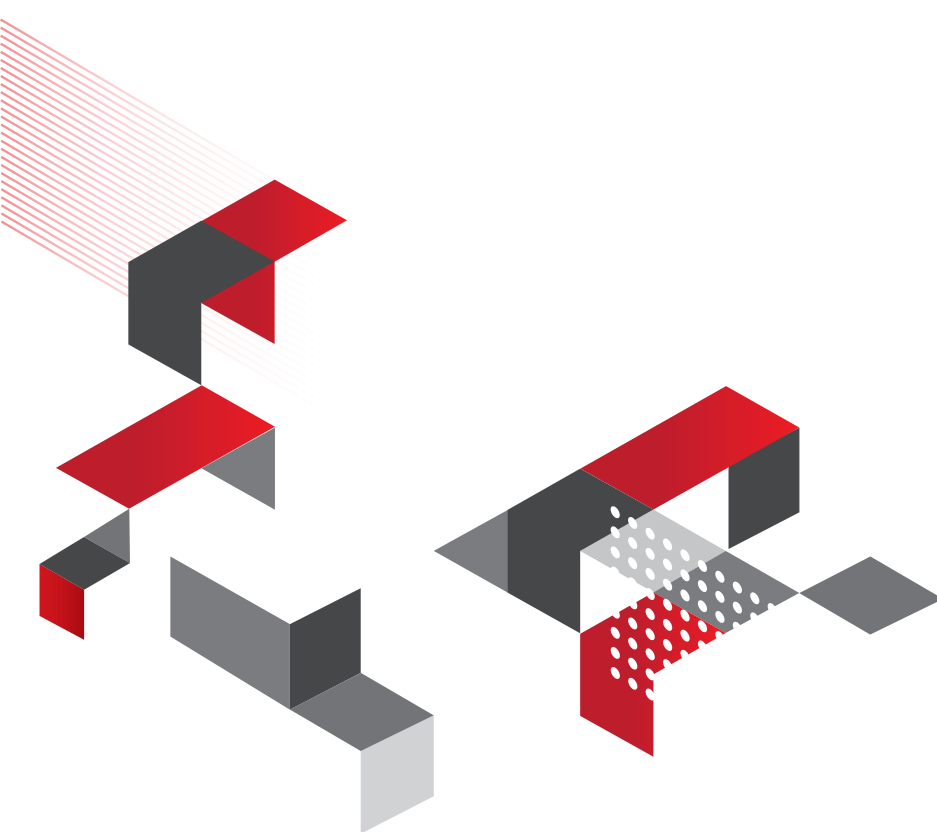
We apply all regulations applicable in the Telkom Group consistently and equally to all employees regardless of gender. Similarly, the employment opportunities being offered apply to all employees, where the existing positions do not specify any qualifications that discriminate based on gender, and neither do the employees' rights (compensation, benefits, career and competency development opportunities, working time, and work facilities) and obligations.

The qualifications that have been applied for all positions (*position requirement*) only require education, competencies (*soft skills* and *hard skills*), and performance.

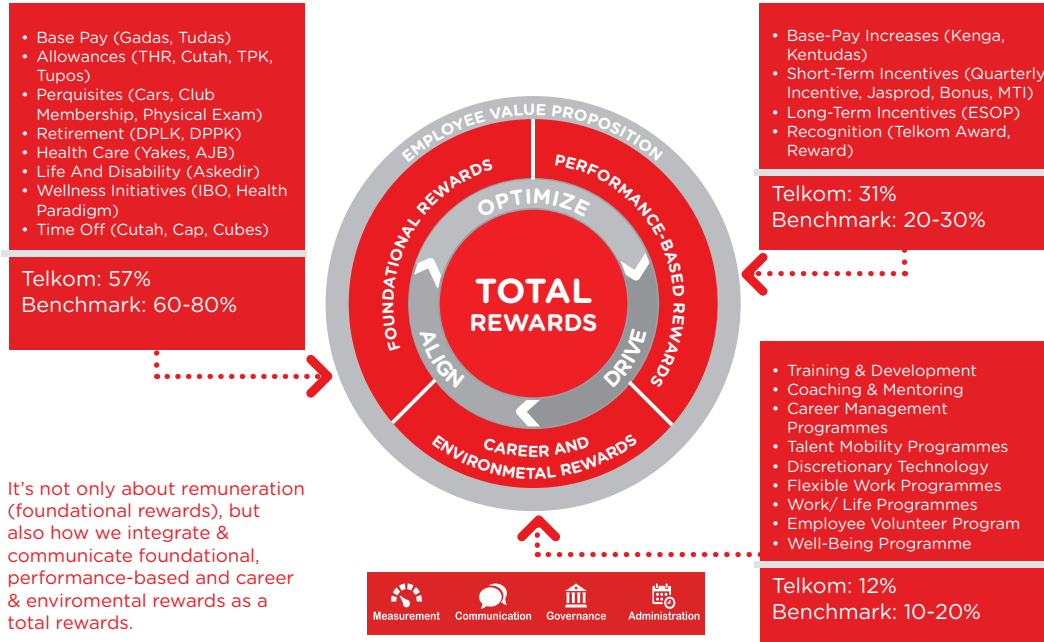
WELFARE PACKAGE

COMPETENCE AND PERFORMANCE-BASED REMUNERATION

We apply a competitive and appealing remuneration package that still adheres to the relevant regulations and is continuously adjusted to the market situation so that it remains competitive. Since 2015, the policy that we apply relating to Telkom's employee benefit is by adopting the *total reward* philosophy, that is based on foundational rewards, performance rewards, as well as career and environmental rewards. We also conduct market price benchmarking regularly.



Simplify Remuneration Concept of Total Rewards



Berdasarkan tujuan dari pemberian remunerasi maka komponen Sistem Remunerasi Telkom dibagi 3 (tiga), dan disebut remunerasi 3P, yakni:

- Remunerasi untuk *person* (*Pay for Person*)
- Remunerasi untuk posisi (*Pay for Position*)
- Remunerasi untuk performansi (*Pay for Performance*)

Berdasarkan jenis dan sifat komponen remunerasi, struktur remunerasi Telkom terdiri dari 2 (dua) komponen utama, yaitu:

- *Compensation*

Komponen ini terdiri dari *monthly salary*, tunjangan hari raya, tunjangan cuti tahunan dan pajak penghasilan (Pph 21).

- *Benefit*

Komponen ini terdiri dari *fixed benefit* dan *variable benefit*. Kedua sub komponen ini diberikan dalam bentuk *cash*.

Pemberian bonus hanya dilakukan apabila target laba bersih dapat dicapai.

Based on the remuneration target the component of Telkom Remuneration System is divided into 3 items, called as the 3Ps remuneration, namely:

- *Pay for Person*
- *Pay for Position*
- *Pay for Performance*

Based on the types and nature of the remuneration components, Telkom's remuneration structure consists of 2 (two) main components, namely:

- *Compensation*

This component consists of monthly salary, holiday allowance, annual leave allowance and income tax (Pph 21).

- *Benefit*

This component consists of fixed benefit and variable benefit. These two sub-components are given in cash.

Bonus will only be given if the nett profit target is achieved.

KESETARAAN GENDER DALAM PENETAPAN REMUNERASI [G4-LA13, G4-EC5]

Kami memegang teguh konsistensi dalam menerapkan kebijakan kesetaraan dan persamaan hak, dengan tidak melakukan diskriminasi dalam hal pemberian kompensasi bagi karyawan laki-laki dan wanita dalam pemberian seluruh paket remunerasi tersebut.

Tabel Perbandingan Gaji Dasar/Remunerasi Karyawan Laki-laki dan Perempuan Menurut Level Jabatan.[G4-LA13]

Posisi <i>Position</i>	Pria <i>Men</i>	Wanita <i>Women</i>
Manajemen Senior <i>Senior Management</i>	1,00	1,00
Manajemen Madya <i>Mid Management</i>	1,00	1,00
Pengawas <i>Supervisor</i>	1,00	1,00
Lainnya <i>Others</i>	1,00	1,00

Kami juga senantiasa memenuhi ketentuan yang berlaku dalam hal pemberian remunerasi, yakni dengan menetapkan gaji dasar karyawan pada level terendah yang baru masuk, lebih besar dari ketentuan upah minimum regional yang baru ditetapkan oleh Pemerintah, seperti ditunjukkan pada tabel berikut.

Tabel Gaji Terendah Karyawan Telkom Baru Dengan Level Terendah, Dibandingkan Ketentuan UMP di Lima Kota Utama Indonesia, 2016.

No.	Wilayah Operasi <i>Operational Area</i>	Besaran UMP Provinsi/Kabupaten (Rp) <i>Minimum Regional Wage per Province/ District (Rp)</i>	Besaran Gaji Dasar Karyawan Golongan terendah ketika menjadi karyawan baru (Rp)* <i>Lowest level employee's basic salary at entry level (Rp)*</i>
1	Bandung	2,626,940	5,800,000
2	Jakarta	3,100,000	6,900,000
3	Medan	2,271,255	7,400,000
4	Surabaya	3,045,000	6,100,000
5	Makassar	2,313,625	7,100,000

Catatan *) Termasuk bantuan kemahalan kota

Note*) Include city-specific expensive allowance

GENDER EQUALITY IN SETTING REMUNERATION [G4-LA13, G4-EC5]

We uphold the consistency in applying rights equally by not discriminating the remuneration package for men and women employees.

Table of comparison of basic salary/remuneration for men and women employee according to level of position.[G4-LA13]

We also continuously comply to the rules and regulations relating to remuneration, by setting the employee's basic salary that is higher than the latest minimum regional wage as stipulated in the latest Government Regulation. This can be seen in the following table.

Table of lowest salary of Telkom's entry level employee compared to the minimum regional wage of five main Indonesian cities, 2016 .

Kami memberikan beberapa insentif khusus kepada karyawan tetap seperti tunjangan pensiun, tunjangan perumahan dan beberapa tunjangan jangka panjang lain yang tidak diberikan kepada karyawan tidak tetap, sehingga secara keseluruhan terdapat perbedaan pada struktur remunerasi dan nilainya. **[G4-LA2]**

PENGHARGAAN KARYAWAN

Kami menetapkan beberapa prinsip pokok yang harus dipenuhi dalam pengaturan, pengelolaan, dan pemberian Penghargaan bagi karyawan Telkom, yakni: selaras (*align*), adil (*fair*), dan obyektif (*objective*).

Adapun berbagai penghargaan yang diterima oleh para karyawan berprestasi Telkom adalah sebagai berikut.

We provide a few special incentives for permanent employee such as retirement allowance, housing allowance as well as other long-term allowances that is not extended to the non-permanent employee, so that generally there are some differences on the structure of the remuneration and its value. **[G4-LA2]**

EMPLOYEE AWARD

We set out several main principles that needs to be met on granting, arranging and managing award, to Telkom's employees namely align, fair and objective.

Awards that has been awarded to Telkom's top achiever employees are as follows.

Tabel Penghargaan Kategori Perorangan dan Unit Tahun 2016

Table of Individual Awardee and Unit Awardee Categories Year 2016

Jenis Penghargaan Category of Award	Jumlah Total	Keterangan Information
Satyalencana Presiden RI	6	Reward External / External Reward
Reward RAFI	88	Reward Individu / Individual Reward
Best Employee	18	Reward Individu / Individual Reward
Best Unit	5	Kelompok Individu / Individual Group
Best Innovation	45	Reward Individu / Individual Reward
Best Kampiun	7	Reward Individu / Individual Reward
Best Culture (Activation Unit)	4	Kelompok Individu / Individual Group
Best Culture (Role Model)	4	Reward Individu / Individual Reward
Best Culture (Culture Agent)	4	Reward Individu / Individual Reward
Best CFU/FU	7	Reward Individu / Individual Reward
Business & Innovation Reward	17	Kelompok Individu / Individual Group

PENGELOLAAN KESEHATAN KARYAWAN

Kami menyediakan layanan kesehatan bagi karyawan dan pensiunan beserta keluarga intinya yang dikelola oleh Yayasan Kesehatan ("Yakes") Telkom. Dalam rangka memastikan tingkat kesehatan karyawan, setiap tahun kami menyelenggarakan *medical check up* bagi karyawan, yang hasilnya berupa status kesehatan (*stakes*). Bagi karyawan yang telah memasuki masa pensiun, kami menyelenggarakan **Pelayanan Kesehatan Pasca Kerja**.

Jumlah biaya yang kami keluarkan untuk program jaminan kesehatan bagi karyawan dalam dua tahun terakhir masing-masing adalah Rp180 miliar untuk tahun 2016 dan Rp174 miliar untuk tahun 2015.

EMPLOYEE'S HEALTH MANAGEMENT

We provide health service for employees and retirees together with their nucleus family which is managed by Telkom Yayasan Kesehatan ("Yakes"). In ensuring employees' health, we organize annual medical check-up which resulted in employee's health stakes. For employees entering retirement age we organize **Post Work Health Service**.

The total cost we have allocated for this health program for employee in the past two years is, respectively, Rp180 billion for 2016 and Rp174 billion for 2015.

KESEIMBANGAN POLA KERJA-KEHIDUPAN SOSIAL

Kami menyadari pentingnya menjaga keseimbangan pada diri karyawan antara kehidupan dalam pekerjaan dan kehidupan lainnya sebagai makhluk sosial. Karena itu kami memiliki konsep *work-life integration* dimana karyawan diberi kesempatan untuk untuk berperan aktif dalam lingkup Olah Ruh, Olah Rasa, Olah Rasio, dan Olah Raga yang disebut 4R yang diharapkan dapat mendukung produktivitas karyawan.

Telkom juga memfasilitasi kebutuhan karyawan untuk berkontribusi dalam berbagai kegiatan sosial sesuai dengan minatnya melalui *Employee Volunteer Program* yang mencakup Bakti Lingkungan, Bakti Sosial Keagamaan, Bakti Pendidikan, dan Bakti Pelestarian Budaya.

Untuk lebih jelasnya, aktivitas 4R dapat dilihat pada tabel berikut.

Olah Ruh	Perayaan Natal Telkom Group, Perayaan Paskah Telkom Group, Lomba Paduan Suara Lagu Gerejani, Bedah Buku, Kompetisi Pembacaan Al-Qur'an, Utsawa Dharma Gita, Baca Sloka dan Kidung Agung, Musabaqoh Tilawatil Quran, Pesantren Ramadhan, dan lain-lain.
<i>Exercise of Spirit</i>	Telkom Group Christmas Celebration, Telkom Group Easter Celebration, Gospel Choir Competition, Book Review, Al-Qur'an Recitation Competition, Utsawa Dharma Gita, the Recitation of Sloka and the Song of Solomon, Musabaqoh Tilawatil Quran, Ramadhan Short Course in Islamic Studies, and more.
Olah Rasa	Kesenian Gamelan, Keroncong, Bakti Bagi Negeri, Fotografi (FOTO - 135), dan lain-lain.
<i>Exercise of Art</i>	The art of Gamelan, Keroncong, Bakti Bagi Negeri, Photography (PHOTO - 135), and more.
Olah Rasio <i>Exercise of Mind</i>	Toastmaster Club (<i>Public Speaking & Leadership</i>).
Olah Raga	Memancing, Tenis, Basket, Sepeda, Sepeda Motor, Tenis Meja, Pecinta Alam, Zumba, Yoga, Aerobic, Tennis, Lari (Telkom Runner) dan lain-lain.
<i>Exercise of Body</i>	Fishing, Tennis, Basketball, Bike, Motorbike, Table Tennis, Nature Lovers, Zumba, Yoga, Aerobics, Tennis, Running (Telkom Runner) and more.

PENSIUN DAN MANFAAT PENSIUN [G4-EC3, G4-LA10]

Kami mensponsori dua program pensiun: (i) program pensiun manfaat pasti ("PPMP"), yang dikelola oleh Dana Pensiun Telkom, bagi karyawan tetap yang direkrut sebelum tanggal 1 Juli 2002, dan (ii) program pensiun iuran pasti ("PPIP"), dikelola oleh Dana Pensiun Lembaga Keuangan ("DPLK"), bagi semua pegawai tetap lainnya. Kami juga merancang program pensiun dini ("Pendi"), yakni program yang kami rancang untuk menciptakan lingkungan bisnis yang lebih efektif dan kompetitif.

THE BALANCE OF WORK PATTERN-SOCIAL LIFE

We recognize the importance of maintaining a balance on the employees between life at work and other aspects of life as a social creature. Therefore, we have the concept of work-life integration where the employees are given the opportunity to play an active role within the scope of *Olah Ruh* (Spiritual Development), *Olah Rasa* (Emotional Development), *Olah Rasio* (Reasoning Development), and *Olah Raga* (Physical Development) called 4R which is expected to support the employees' productivity.

Telkom also facilitates the needs of the employees to contribute in a variety of social activities according to their interests through the Employee Volunteer Program that includes *Bakti Lingkungan* (Environmental Service), *Bakti Sosial Keagamaan* (Religious Social Service), *Bakti Pendidikan* (Educational Service) and *Bakti Pelestarian Budaya* (Cultural Preservation Service).

For more details, the 4R activities can be seen in the following table.

RETIREMENT AND RETIREMENT BENEFIT [G4-EC3, G4-LA10]

We sponsored two retirement programs: (i) fixed benefit retirement program (*Program Pensiun Manfaat Pasti*/"PPMP"), which is being managed by Telkom Retirement Fund, for permanent employee recruited before July 1, 2002, and (ii) fixed contribution retirement program (*Program Pensiun Iuran Pasti*/"PPIP") managed by Financial Institution Retirement Fund (*Dana Pensiun Lembaga Keuangan*/"DPLK") for all other permanent employees. We have also designed early retirement program (*Pensiun Dini*/"Pendi") which is a program designed to create effective and competitive business environment.

- **Program Pensiun Manfaat Pasti (PPMP)**

Perhitungan pensiun bagi peserta PPMP dihitung berdasarkan masa kerja, tingkat gaji pada saat pensiun dan dapat dialihkan kepada tanggungan jika karyawan tersebut meninggal. Partisipasi karyawan dalam program ini adalah sebesar 18% dari gaji pokok (sebelum bulan Maret 2003, tingkat kontribusi karyawan adalah sebesar 8,4%). Entitas anak usaha kami, Telkomsel, juga menyelenggarakan PPMP, dimana sejak 2005, kontribusi terhadap program ditanggung sepenuhnya oleh Telkomsel.

- **Program Pensiun Iuran Pasti (PPIP)**

Kami menyelenggarakan Program Pensiun Iuran Pasti bagi karyawan tetap yang direkrut sejak tanggal 1 Juli 2002. Kontribusi tahunan Perusahaan terhadap PPIP ditetapkan berdasarkan persentase tertentu dari gaji dasar karyawan peserta, yaitu mencapai Rp6 miliar, Rp7 miliar dan Rp9 miliar masing-masing untuk tahun-tahun yang berakhir 31 Desember 2014, 2015 dan 2016.

Pensiun Dini

Dalam rangka menciptakan lingkungan bisnis yang lebih efektif dan kompetitif, kami juga memiliki program Pensiun Dini (“Pendi”). Program ini kami tawarkan secara sukarela kepada karyawan yang dianggap telah memenuhi persyaratan tertentu terkait pendidikan, usia, jabatan dan kinerja.

Untuk tahun 2016, kami mengalokasikan dana sebesar Rp628 miliar (2015:Rp683 miliar) untuk 382 (2015:576) karyawan yang berpartisipasi dalam program Pendi.

Telkom juga menyelenggarakan berbagai bentuk pelatihan yang dirancang untuk membantu karyawan memasuki masa purna bakti. Program pelatihan kewirausahaan tersebut diselenggarakan bagi karyawan yang telah memasuki usia diatas 50 tahun. Pelatihan diselenggarakan dalam bentuk diskusi aktif dengan mengundang dan melibatkan para pensiunan Telkom yang telah sukses merintis kegiatan wirausaha.

- **Fixed Benefit Retirement Program (Program Pensiun Manfaat Pasti/PPMP)**

Retirement for PPMP participants is calculated based on the employee’s work period, salary level at time of retirement and can be transferred to their dependents if the employee in question passed away. Employee’s share in this program is 18% of its basic salary (before March 2003, employee’s share is 8.4%). Our subsidiary company entity, Telkomsel, also runs the PPMP, whereas since 2005 Telkomsel bear the entire program contribution.

- **Fixed Contribution Retirement Program (Program Pensiun Iuran Pasti/PPIP)**

We run the PPIP program for permanent employees recruited since July 1, 2002. The company’s annual contribution to PPIP is set out based on a percentage calculation of the participated employee’s salary, which amounted to Rp6 billion, Rp7 billion and Rp9 billion for December 31, 2014, 2015 and 2016 respectively.

Early Retirement

In the effort of creating a more effective and competitive business environment, we also have the early retirement (*Program Pensiun Dini/“Pendi”*). This program is voluntary in nature and is being offered to employees who are considered to meet certain requirements of education level, age, position and performance.

For 2016, we allocated Rp682 billion (2015: Rp683 million) for 382 (2015:576) employees who participated in the Pendi program.

Telkom also conducted various training program aimed at employees reaching their post-working period. The entrepreneurship training program is provided for employees over 50 years old. Training is organized in the form of active discussions which invites and involves Telkom retirees whom are considered successful as entrepreneur.

Telkom mensponsori kegiatan pembekalan dan pelatihan ketrampilan kewirausahaan seluruh karyawan tetap untuk menjamin kesejahteraan saat memasuki masa purna tugas.

Tahun 2016 – jumlah karyawan 2.004 orang dengan jumlah program pelatihan sebanyak 25 batch.

Telkom sponsored entrepreneurship training and education for all permanent employees to ensure the employees’ welfare when they are in their post-working age.

In 2016 – the number of employees reached 2,004 people and the number of training reach 25 batch.

Sebagai bentuk penghargaan perusahaan terhadap karyawan purnabakti, kami juga menyelenggarakan Wisuda Purnabakti sebagai apresiasi dan penghormatan perusahaan atas jasa dan kontribusi yang telah mereka berikan bagi kemajuan perusahaan.

PROFIL KARYAWAN KAMI[G4-10]

Total jumlah karyawan Telkom Group di tahun 2016 adalah 23.876 orang (2015:24.785 orang), terdiri dari 14.933 orang (2015:16.097 orang) karyawan Telkom dan 8.943 orang (2015:8.688 orang) karyawan entitas anak. Jumlah karyawan Telkom mengalami penurunan sebesar 7,23% dibandingkan posisi per 31 Desember 2015 yang berjumlah 16.097 orang karyawan, sejalan dengan berlanjutnya program multi exit sebagai bagian dari upaya revitalisasi dan peningkatan efisiensi SDM yang telah berjalan sejak tahun 2002. Seluruhnya karyawan Telkom berstatus karyawan tetap.

Profil Karyawan Berdasarkan Posisi Jabatan[G4-LA12]

Di tahun 2016, jumlah karyawan pada tingkat manajemen senior berjumlah 611 orang. Jumlah karyawan pada posisi manajemen madya berjumlah 5.290 orang, 12.044 orang adalah karyawan dengan posisi jabatan sebagai pengawas, dan 5.922 orang jabatan lainnya.

Berikut adalah rincian karyawan Telkom berdasarkan posisi jabatan pada tahun 2015 dan 2016.

As a tribute to the retired employees, we also hold a *Wisuda Purnabakti* (Retirement Graduation) as the company's appreciation and recognition for the services and contributions they have given to the advancement of the company.

OUR EMPLOYEE'S PROFILE [G4-10]

In 2016 the total number of Telkom Group employee is 23,876 people (2015:24,785 people), which consists of 14,933 (2015:16,097 people) Telkom employees and 8,943 person (2015:8,688 people) subsidiary company's employees. The number of employees is decreasing 7.23% compared to December 31, 2015 which totaled 16,097 employees, in line with the multi-exit program as part of the revitalization and HR efficiency that has been running since 2002. All Telkom employee are permanent employees.

Employee Profile based on Position[G4-LA12]

In 2016, the number of employee at the senior management level is 611 people. The number of employee at mid-management level is 5,290 person, 12,044 people is employees at supervisor level and 5,922 people at other positions.

Details of Telkom Group employees based on position in 2015 and 2016 are as follows:

Posisi Jabatan Position	2016		2015	
	Jumlah Karyawan Total Employee	% Komposisi Composition	Jumlah Karyawan Total Employee	% Komposisi Composition
Manajemen Senior Senior Management	620	2,6	608	2,5
Manajemen Madya Middle Management	5.290	22,2	4.651	18,8
Pengawas Supervisor	12.044	50,4	13.017	52,5
Lainnya Others	5.922	24,8	6.509	26,3
Jumlah Total	23.876	100	24.785	100

Profil Karyawan berdasarkan tingkat pendidikan, 2015 dan 2016 adalah sebagai berikut.

Profile of employees based on education level in 2015 and 2016 is as follows.

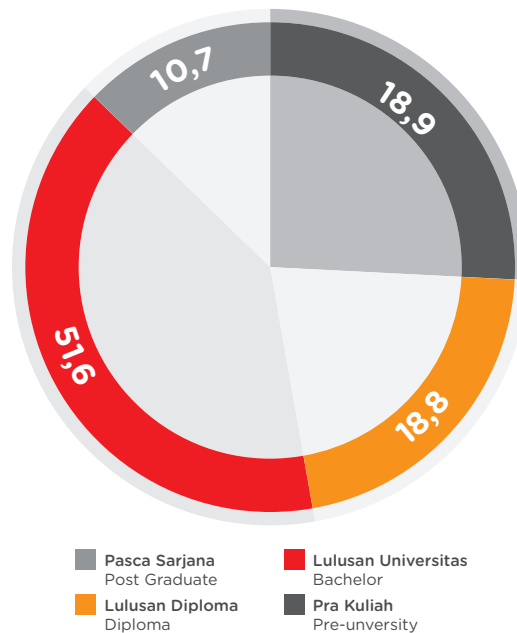
Tabel Karyawan Menurut Tingkat Pendidikan

Table of Employees based on Education Level

Tingkatan Pendidikan Education Level	2016		2015	
	Jumlah Karyawan Number of Employees	%	Jumlah Karyawan Number of Employees	%
Pasca Sarjana Post Graduate	2.551	10,7	2.500	10,1
Lulus Universitas Bachelor	12.324	51,6	12.182	49,2
Lulus Diploma Diploma	4.478	18,8	4.855	19,6
Pra Kuliah Pre-University	4.523	18,9	5.248	21,2
Jumlah Total	23.876	100	24.785	100

Grafik Komposisi Karyawan Telkom Berdasarkan Tingkat Pendidikan, 2016 (dalam %).

Graphic of Telkom Group Employees' Composition based on Education Level, 2016 (in %).



Komposisi karyawan Telkom semakin didominasi oleh SDM dengan jenjang pendidikan D-3 keatas dengan kompetensi yang semakin meningkat sesuai tuntutan pengembangan usaha sebagai hasil penerapan kebijakan rekrutmen terbaru dan program *multi exit*.

Composition of Telkom Group's employees composition is increasingly dominated by human resources from Diploma (D-3) education level and above with higher competence in line with the demand of business development as a result of latest recruitment policy and multi exit program.

Profil Karyawan berdasarkan usia, ditunjukkan pada tabel berikut.

Profile of employees based on age is shown on the following table.

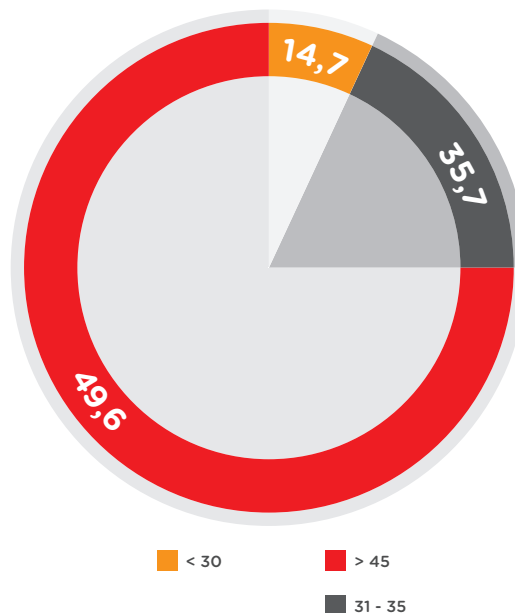
Tabel Karyawan berdasarkan Usia, 2015-2016

Table of employees based on age, 2015-2016

Usia Age	2016		2015	
	Jumlah Karyawan Number of Employees	%	Jumlah Karyawan Number of Employees	%
< 30	3.512	14,7	3.126	12,6
30 - 45	8.514	35,7	8.748	35,3
> 45	11.850	49,6	12.911	52,1
Total	23.876	100	24.785	100

Grafik Komposisi Karyawan Telkom Berdasarkan Usia, 2016 (dalam %)

Graphic of Telkom Group's Employees based on Age, 2016 (in %)



Profil Karyawan berdasarkan gender

Profile of Employees based on Gender

Dari tabel komposisi karyawan Telkom Group berdasarkan gender, tampak bahwa sepanjang 2016 jumlah karyawan laki-laki adalah 76,7%, lebih banyak daripada jumlah karyawan wanita yang sebesar 23,3%.

From the table of composition of Telkom Group's employees composition based on gender, it appears that in 2016 the number of male employees are 76.7%, which is higher than the number of female employees of 23.3%.

Profil karyawan berdasarkan gender

Profile of employees based on gender

Kelompok Gender Gender Group	2016			
	Telkom	Entitas Anak Subsidiary Entity	Telkom Group	%
Pria Men	11.803	6.508	18.311	76,7
Wanita Women	3.130	2.435	5.565	23,3
Jumlah Total	14.933	8.943	23.876	100

Kelompok Gender Gender Group	2015			
	Telkom	Entitas Anak Subsidiary Entity	Telkom Group	%
Pria Men	12.935	6.377	19.312	77.9
Wanita Women	3.162	2.311	5.473	22.1
Jumlah Total	16.097	8.688	24.785	100

Turn Over Karyawan[G4-LA1]

Kami senantiasa berupaya menjaga dan menciptakan lingkungan kerja yang nyaman, memiliki kebijakan pengelolaan karyawan yang baik, dan memiliki reputasi sebagai perusahaan dengan paket remunerasi yang menarik, sehingga pada umumnya mencatatkan tingkat *turn-over* yang rendah.

Latar belakang karyawan mengakhiri hubungan kerja lebih banyak karena pengunduran diri secara sukarela, promosi menjadi pejabat di lingkungan Telkom, entitas anak maupun pemerintahan, selain karena pensiun normal, menikah dengan karyawan Telkom dan meninggalnya karyawan.

Berikut adalah tabel perbandingan angka *turn-over* karyawan Telkom, tidak termasuk entitas anak Perusahaan, selama dua tahun terakhir.

Employee Turn Over [G4-LA1]

We continue to create and maintain comfortable working environment, we possess good employee management policy and have the reputation as a company with appealing remuneration package, and that in general resulted in low employee turnover rate.

The background of for Telkom employees ending their work contract is mainly caused by voluntary resignation, promotion to senior level in Telkom, subsidiary entities or government, besides normal retirement, marrying other Telkom employee or death of employee.

The following is a table of comparison of Telkom employees' turn-over rate, excluding subsidiary entities, in the last two years.

	2016	2015	2014	2013	2012
Jumlah Karyawan Telkom (orang) Total number of Telkom Employees	14.933	16.097	17.279	17.881	19.185
Jumlah Perputaran Karyawan Employee turnover rate	11	8	20	14	22
• Atas Permintaan Sendiri By own request/voluntary	11	8	17	14	10
• Menjadi Pengurus Partai Politik Becoming a political party official	0	-	-	-	-
• Menjadi Direksi BUMN/Pejabat Pemerintah Becoming an SOE director/government official	0	1	-	-	12
• Pelanggaran Disiplin Disciplinary misconduct	0	2	1	-	-
• Menikah dengan Karyawan Telkom Marry another Telkom employee	0	-	2	-	-
Persentase Turn Over (%) Turn Over percentage (%)	0,01	0,07	0,12	0,08	0,11

Keterangan Description	2016			2015		
	Pria Men	Wanita Women	Jumlah Total	Pria Men	Wanita Women	Jumlah Total
Jumlah Karyawan Telkom Number of Telkom Employee	11.803	3.130	14.933	12.935	3.162	16.097
Jumlah Karyawan Keluar Number of Resigned Employee	-	-	1.535	1.268	208	1.476
Alasan Keluar Reason for resigning						
• Pensiun Normal Normal retirement	971	170	1.141	775	111	886
• Atas Permintaan Sendiri <i>Voluntarily</i>	6	5	11	3	5	8
• Menjadi Direksi BUMN/Pejabat Pemerintah <i>Becoming an SOE director/government official</i>	1	-	1	1	-	1
• Pelanggaran Disiplin <i>Disciplinary misconduct</i>	-	-	-	2	-	2
• Menikah dengan Karyawan Telkom <i>Marry another Telkom employee</i>	-	-	-	-	-	-
• Pensiun Dini <i>Early retirement</i>	-	-	382	487	92	597
Persentase Turn - Over Turn - Over percentage			10,1			9,2

PENGELOLAAN BUDAYA PERUSAHAAN

Kami menyadari bahwa budaya perusahaan memegang peranan penting dalam menentukan keberlanjutan perusahaan serta mampu mendukung berbagai upaya pencapaian tujuan perusahaan.

Karenanya di tahun 2016 kami secara konsisten menjalankan program *culture activation* 2016 yang diturunkan dari program inisiatif “*Embrace & Strengthen The Telkom Way by incorporating Digital Disruptive Culture*” yang ada dalam *Human Capital Master Plan*, sebagai bagian dari rencana jangka panjang membangun *Great Culture*.

THE MANAGEMENT OF CORPORATE CULTURE

We realize that corporate culture plays an important role in determining the sustainability of the company and can support a variety of efforts to achieve the company's goals.

Therefore in 2016 we have consistently run the 2016 culture activation program which derived from the initiative program “*Embrace & Strengthen The Telkom Way by incorporating Digital Disruptive Culture*” incorporated in the *Human Capital Master Plan*, as part of a long-term plan to build the *Great Culture*.

Role Modelling

- Set Senior Leader in TELKOM Group as a Role Model with sustain commitment (annual program setting)
- Provide Improvement and Series of Role Model Coaching Session to Culture Agent
- Promote "Leaders Talk Values Program"

Compelling Story

- Sharpen KIPAS BUDAYA TTW Activity : Promote Disruptive Culture Project thru specific topic "Go Digital", "Go to Customer Experience", "Be more Lean"
- Develop interactive website of TTW Insight for TELKOM Group

Formal System & Procedure

- Translate disruptive & digital culture into The Telkom Way behavior thru Senior Leader Appreciative Inquiry Session
- Design Culture Fit Test for New Hire
- Develop Performance Indicator and Evaluation for Role Model & Culture Agent
- Measure and follow up Culture Health Index Survey

Upgrade Skill To Change

- Running TTW Refreshment (Digital Culture) for all employee (online/offline)
- Running TTW for Frontliner (From Culture to Customer Experience)
- Role Model Learn & Share

Warrant Telkom Group 2016
Processes of Culture Audit & Alignment

Telkom Indonesia
The world in your hand

Internalisasi budaya perusahaan dilakukan secara top down melalui CEO Telkom Group sebagai role modelnya beserta seluruh Pimpinan Unit. Role Model dibantu oleh *Culture Agent* (CA) yang menyusun inisiasi kegiatan aktivasi budaya di unit terkait melalui Komunitas Provokasi Aktivasi Budaya (KIPAS Budaya) dan memotivasi seluruh karyawan untuk berpartisipasi di dalamnya sehingga proses internalisasi The Telkom Way berjalan dengan baik. Hingga saat ini Telkom group memiliki 767 *Culture Agent* yang terdiri dari 440 CA Telkom & 327 CA Anak Perusahaan dengan 132 KIPAS Budaya.

Untuk menyelaraskan kegiatan aktivasi budaya di seluruh unit bisnis, maka disusun *Calendar of Event Culture Activation 2016* dengan pendekatan hari besar nasional yang menjadi rujukan pelaksanaan aktivasi budaya setiap bulannya di setiap unit bisnis.

Beberapa kegiatannya antara lain *Kartini's Day Event*, *Telkomers Back to School* (memperingati Hardiknas), *Kids Go to Office*, *Customer's Day Event*, *Raise Youth Spirit Event*, serta *Mother's Day Event*.

The internalization of corporate culture was conducted by using a top-down approach through the CEO of Telkom Group as a role model together with all Unit Heads. Role Models assisted by Culture Agents (CAs) whose task is to arrange the initiation of cultural activation activities in the relevant units through a Culture Activation Provocation Community (*Komunitas Provokasi Aktivasi Budaya/KIPAS Budaya*) and to motivate all employees to participate in it to enable the proper internalization process of the Telkom Way. To-date, Telkom Group has 767 Culture Agents consisting of 440 CAs from Telkom & 327 CAs from the Subsidiary with 132 groups of *KIPAS Budaya*.

To synchronize the culture activation events across business units, a 2016 Calendar of Events for Culture Activation was created on the basis of public national holidays that became references for the implementation of culture activation each month in each business unit.

The events included *Kartini's Day Event*, *Telkomers Back to School* (in commemoration of National Education Day), *Kids Go to Office*, *Customer's Day Event*, *Raise Youth Spirit Event*, and *Mother's Day Event*.

TELKOM BERBAGI
Sharing Telkom

MENGUTAMAKAN
PENGALAMAN
PELANGGAN
Prioritizing Customer
Experience

MENGEMBANGKAN
INSAN TELKOM
BERWAWASAN DIGITAL
Developing Telkom Employees
With Digital
Based Knowledge

MEMENTINGKAN
KESELAMATAN DAN
KESEHATAN KERJA
Prioritizing Health and
Safety at Work

MENDUKUNG UPAYA
PELESTARIAN LINGKUNGAN
Supporting Environmental
Preservation

TATA KELOLA
KEBERLANJUTAN TELKOM
Telkom Sustainability
Governance



Kartini's Day Event



Telkomer's Back to School



Kids Go to Office



Customer's Day Event



Mother's Day Event

Penguatan budaya perusahaan juga dilaksanakan dengan berbagai cara yang inovatif, diantaranya melalui penyelenggaraan *Culture Quiz* secara periodik dan online untuk mengukur pemahaman dan kepedulian karyawan terhadap budaya perusahaan, publikasi *Culture Story* yang berbentuk *e-magazine*, peningkatan pemahaman The Telkom Way melalui *e-Learning* Budaya Perusahaan, serta penyelenggaraan *Role Model Learn & Share*.

From Culture to Customer Experience

Selain untuk kalangan internal, dampak implementasi budaya perusahaan juga harus dapat dirasakan oleh kalangan eksternal perusahaan seperti *customer*. Untuk itu pelatihan *Culture to Customer Experience* diberikan pada para *supervisor frontliner* salah satunya *frontliner* PT Telkom Akses.

The corporate culture was also strengthened in a number of innovative ways, including through the implementation of periodic and online *Culture Quiz* to measure employees' understanding and awareness of corporate culture, the publication of *Culture Story* in the form of *e-magazine*, the improvement of understanding of The Telkom Way through Corporate Culture *e-Learning*, and the implementation of *Role Model Learn & Share*.

From Culture to Customer Experience

An effort to implement corporate culture that can be felt directly by the customers of Telkom Group. As a first step was the implementation of the *Culture to Customer Experience* training for frontline supervisors joined by 100 frontline supervisors of PT Telkom Akses.



Training Culture to Customer experience PT Telkom Akses

Finding The Telkom Group Culture Heroes

Sebagai bentuk apresiasi kepada unit dan karyawan yang telah secara aktif mengaktivasi budaya perusahaan The Telkom Way, pada tahun 2016 diselenggarakan kegiatan "Finding the Telkom Group Culture Heroes". Dalam kegiatan ini telah dipilih *The Most Admired Culture Activation Unit*, *The Most Inspiring Role Model* dan *The Most Inspiring Culture Agent*. Pemberian Award dilaksanakan pada malam penganugerahan Telkom Award 2016 yang secara langsung diserahkan oleh CEO Telkom Group.

Finding The Telkom Group Culture Heroes

In recognition of the units and employees that have actively activated The Telkom Way corporate culture, in 2016 the "Finding the Telkom Group Culture Heroes" event was held. This event awarded The Most Admired Culture Activation Unit, The Most Inspiring Role Models and The Most Inspiring Culture Agent. The Awards were handed out directly by the CEO of Telkom Group at the 2016 Telkom Award night.



Telkom Group Culture Award 2016 "Finding Culture Heroes"



Telkom Award 2016

Telkom Smart Office

Guna mendukung terciptanya lingkungan kerja digital telah dilakukan pengembangan work station berbasis *digital life style (Project Telkom Smart Office)* dan mendisain ruangan eksisting dengan tema "Working at Telkom Group has to be fun".

Telkom Smart Office

To support the creation of a digital work environment, the Company has developed a lifestyle digital work station (Telkom Smart Office Project) and designed the existing rooms carrying the theme "Working at Telkom Group has to be fun".



Digital Workspace

Budaya Kerja Digital

Sebagai perusahaan berbasis teknologi, pengelolaan karyawan kami lakukan berbasis aplikasi digital dan terintegrasi melalui layanan SDM yang bernama *Integrated Human Capital Management System (IHCMS)* yang telah diinisiasi sejak 2015. Melalui IHCMS, seluruh data SDM Telkom Group terintegrasi dalam satu sistem sehingga memudahkan manajemen untuk melakukan analisa dan pelaporan.

Digital Work Culture

As a technology-based company, we manage our employees based on digital and integrated applications through an HR service called Integrated Human Capital Management System (IHCMS) that has been initiated since 2015. Through IHCMS, Telkom Group's entire HR data is integrated into a single system making it easier for the management to make analysis and reporting.



Fungsi layanan mandiri kami sediakan melalui Presensi *Online*, Slip Gaji *Online*, dan Cuti *Online*. Karyawan dapat dengan mudah melihat ringkasan remunerasi yang dia terima melalui Slip Gaji *Online*. Karyawan juga dapat mengetahui kuota cuti, pengajuan cuti (baik cuti tahunan, cuti besar, maupun perjalanan) serta tracking proses penyetujuannya melalui aplikasi Cuti *Online*.

Karyawan juga dapat mengetahui penjelasan deskripsi suatu jabatan terkait tanggung jawab, kewenangan, indikator performansi dan kompetensi yang dibutuhkan untuk menjalankan fungsinya di posisi tersebut pada aplikasi *Distinct Job Manual*.

Demikian juga aplikasi pengembangan karir yang bernama *Ingenium*, yang memungkinkan karyawan untuk merancang karirnya sendiri sesuai dengan *passion* dan kompetensi yang dimilikinya. Aplikasi ini juga membantu pengelola karir untuk menemukan talent terbaik bagi suatu posisi berdasarkan faktor kompetensi, minat, dan sosiometri.

Sebagai salah satu jalan peningkatan karir, kami juga menyediakan aplikasi *Digital Learning* yang memfasilitasi karyawan untuk melakukan pembelajaran mandiri secara *online*. Materi disajikan secara interaktif melalui konten multimedia yang dirancang untuk memaksimalkan daya serap peserta pelatihan.

Tidak hanya itu, kami juga memastikan ketersediaan saluran komunikasi internal yang bersifat *bottom-up* melalui aplikasi *Employee Corner*. Melalui aplikasi ini karyawan dapat menyalurkan setiap ide, aspirasi, kritik dan masukan maupun *feedback* kepada manajemen melalui *Employee Aspiration* maupun *HR Helpdesk* sebagai bagian dari proses *continous improvement*. Lebih dari itu, karyawan juga dapat mengakses semacam wikipedia yang bernama *HR Wiki* yang akan memberikan jawaban setiap pertanyaan karyawan terkait pengelolaan *human capital* dalam perusahaan.

Selain *Employee Corner* kami juga memiliki *Diarium Collaborate* yang berfungsi seperti *social media* untuk lingkungan internal perusahaan. *Diarium* dimanfaatkan untuk menumbuhkan budaya berbagi informasi yang bermanfaat diantara karyawan baik dalam bentuk foto, *file*, maupun *video*.

We provide self-service function via Online Presence, Online Salary Slip, and Online Leave. The employees can easily check the summary of remuneration they receive through Online Salary Slip. Employees can also find out the quota of leave, leave application (whether annual leave, long service leave, or travel) and track the approval process through the Online Leave application.

The employees can also find the description for a position related to the responsibilities, authority, performance indicator and competencies required to perform its function in that position through the *Distinct Job Manual* application.

Similarly with the career development application named *Ingenium*, which allows the employees to design their own career according to their passion and competency. This application also helps the career manager to find the best talent for a position based on the factors of competence, interest, and sociometry.

As a way of career advancement, we also provide a *Digital Learning* application that facilitates the employees to conduct online self-learning. The materials are presented interactively through multimedia contents that are designed to optimize the absorption of the trainees.

In addition, we also ensure the availability of an internal *bottom-up* communication channel through the *Employee Corner* application. Through this application the employees can deliver any ideas, aspirations, criticisms, input and feedback to the management through the *Employee Aspiration* or *HR Helpdesk* as part of continuous improvement process. Moreover, the employees can also access some sort of wikipedia named *HR Wiki* which will give answers to any of the employees' questions related to the management of human capital in the company.

In addition to the *Employee Corner*, we also have the *Diarium Collaborate* that functions like a social media for the company's internal environment. The *Diarium* is utilized to cultivate a culture of sharing useful information among the employees in the form of photos, files, or videos.

PENGELOLAAN ORGANISASI

Untuk mewujudkan aspirasi pemerintah yang ditargetkan terhadap Telkom yaitu masuk dalam *Top 10 Market Cap Telco* di Asia Pasifik pada 2020 serta masuk di *Fortune 500 Global* di tahun 2019, maka Telkom harus meningkatkan nilai perusahaan dengan mempertimbangkan beberapa hal. Diantaranya tren lanskap kompetisi yang berubah dari Industri ke Arena (*from Product to Experience*), serta paradigma disruptif dengan prinsip *customer experience*, *digital* dan *lean*.

Berdasarkan hal tersebut maka Telkom menetapkan strategi disruptif melalui penataan kembali *parenting system*. Semula parenting system yang diterapkan berbasis *Adjacent Portofolio* dimana organisasi dibariskan berdasarkan produk, kini parenting system yang dipakai berbasis segmen kastamer agar fokus membangun *customer experience* yang tinggi karena visi Telkom menyangkut *market capitalization*.

Organisasi kami tata kembali berbasis pelanggan melalui pembentukan *Customer Facing Unit* dan *Functional Unit* (CFU/FU) dengan harapan penyelesaian persoalan pelanggan akan lebih terintegrasi dan lebih simpel serta efisien. CFU merupakan unit yang berhubungan langsung dengan segmen pelanggan tertentu, sedangkan FU bertanggung-jawab pada fungsi-fungsi khusus korporat yang mendukung CFU.

ORGANIZATION MANAGEMENT

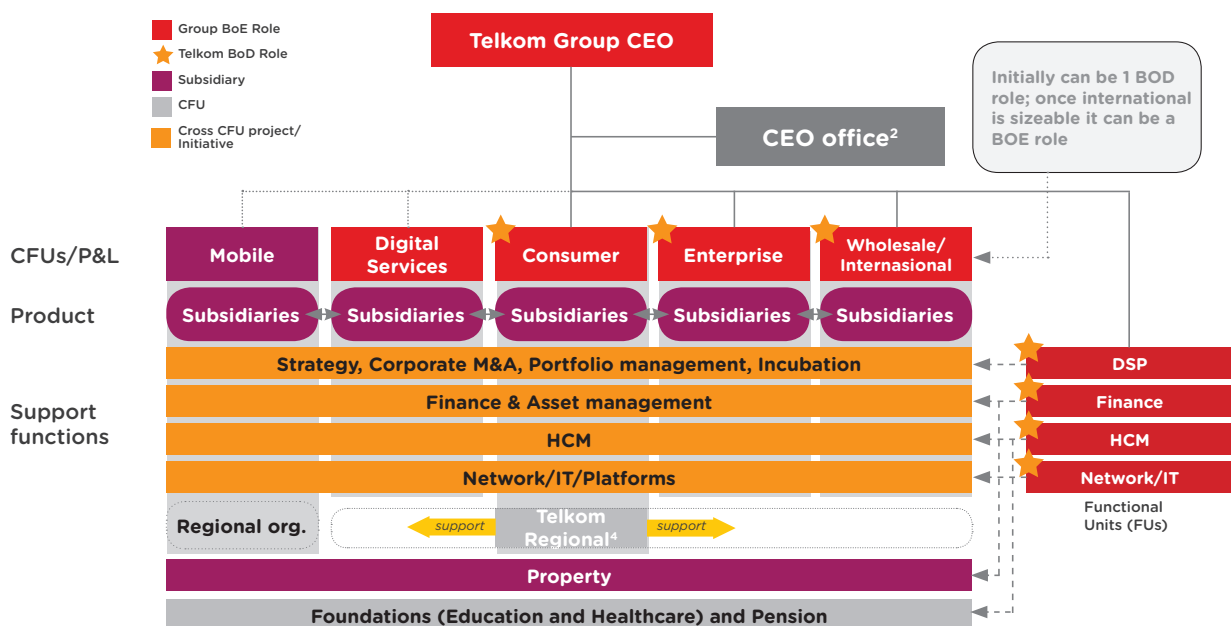
To realize the aspirations of the government targeted for Telkom, which are to be included in the Top 10 Market Cap Telco in Asia Pacific in 2020 and the Fortune 500 Global in 2019, Telkom should therefore enhance its corporate values by taking a few things into account, such as the changing competitive landscape trend from the Industry to the Arena (from Product to Experience) and the disruptive paradigm with the principles of customer experience, digital and lean.

Based on such conditions, Telkom set a disruptive strategy through realignment of parenting system. Originally the parenting system was based on Adjacent Portfolio where organizations are aligned by product, now the parenting system is based on customer segment in order to focus on building high customer experience due to Telkom's vision regarding market capitalization.

Our organization was rearranged based on the customers through the establishment of Customer Facing Units and Functional Units (CFU/FU) in the hope that the customer problem-solving will be more integrated and more simple and efficient. CFU is a unit that is directly related to a specific customer segment, while FU is responsible for the special corporate functions that support the CFU.

Telkom Parenting strategy will see a shift to a CFU¹ based model

Structural Implication



1. CFU = Customer Facing Unit
2. Legal, compliance, regulatory management, external communications, internal audit etc.
3. DSP as Functional Unit and also as a parent for Digital Service CFU
4. Telkom Regional 1 - 7 responsible to CEO



HUBUNGAN INDUSTRIAL & KETENAGAKERJAAN [G4-11]

Sebagai bagian dari upaya membangun hubungan industrial yang bermartabat, karyawan Telkom telah mendirikan “Serikat Karyawan Telkom” atau “SEKAR”, yang menaungi 14.472 karyawan atau 89,9% dari jumlah karyawan Telkom. SEKAR berhak mewakili karyawan dalam perundingan Perjanjian Kerja Bersama (PKB) dengan manajemen Perusahaan.

PKB VI berlaku sejak tahun 2015-2017. Diagendakan sekitar bulan Maret tahun 2017 akan diadakan perundingan membahas PKB VII yang akan berlaku tiga tahun ke depan hingga 2019.

Dalam menyelesaikan perselisihan yang terjadi antara karyawan dengan perusahaan, Telkom tunduk pada ketentuan UU No.13/2003 tentang ketenagakerjaan pasal 1 angka 16 dan pasal 56 UU No.2 Tahun 2004 mengenai Pengadilan Hubungan Industrial.

Selama tahun 2016 tercatat Telkom menghadapi dan berupaya menyelesaikan perselisihan hubungan industrial, yakni 7 gugatan di Surabaya dan 1 gugatan di Jakarta, 4 diantaranya (di Surabaya) telah diselesaikan.

PENGHORMATAN TERHADAP HAM

Komitmen untuk menjunjung tinggi Hak Asasi Manusia (HAM) telah menjadi kebijakan Perusahaan, sebagaimana tertuang dalam Keputusan Direktur KR.08/PS560/COP-B0011000/2009. Komitmen tersebut kami wujudkan dalam beberapa kebijakan operasional, meliputi:

- **Kepatuhan dan Penghargaan Terhadap HAM**

Kepatuhan dan penghormatan terhadap HAM ditunjukkan dengan tidak adanya laporan mengenai terjadinya pelanggaran HAM di lokasi-lokasi tempat Perusahaan beraktifitas selama tahun 2015.

- **Kebebasan Berserikat [G4-HR4]**

Kami menghormati hak tersebut sebagai hak karyawan untuk membentuk serikat pekerja, yang diberi nama SEKAR. Hak karyawan tersebut tercantum pada Bab I Pasal 1 butir 38 PKB VI antara SEKAR dengan Manajemen Telkom, yang berlaku sejak tanggal 18 September 2015.

LABOR AND INDUSTRIAL RELATIONS [G4-11]

As part of the effort of building dignified industrial relations, Telkom employees has established “Telkom Employee Union” called “SEKAR”, with 14,472 employee member or 89.9% of the total Telkom employee. SEKAR has the right to represent employee in Collective Labor Agreement (*Perjanjian Kerja Bersama*/PKB) negotiation with the company management.

PKB VI is applicable since 2015-2017. Around March 2017, a negotiation is set for PKB VII that will be applicable for the next three years up to 2019.

In settling dispute between employees and the company, Telkom is subject to Article 1 section 16 of Law No.13/2003 on Employment and Article 56 Law No.2/2004 regarding Court of Industrial Relations.

In 2016, Telkom faced and tried to settle 7 industrial relations lawsuits in Surabaya and 1 in Jakarta. Four lawsuits (in Surabaya) has been settled.

RESPECT FOR HUMAN RIGHTS

The commitment to uphold human rights is the company’s policy, as stipulated in Director Decision (Keputusan Direktur) KR.08/PS560/COP-B0011000/2009. That commitment is manifested in several operational policies, which includes:

- **Adherence and Respect for Human Rights**

Adherence to and respect for human rights is illustrates by the absence of report regarding human rights violation in places where the company operates along 2015.

- **Freedom of association [G4-HR4]**

We respect the employee’s right of association as the employee’s right to form a union, that is called SEKAR. Such right of association can be found in Chapter I Article 1 section 38 of PKB VI between SEKAR and Telkom Management applicable since September 18, 2015.

Untuk menunjukkan konsistensi penghormatan Telkom terhadap HAM, sesuai Pasal 6 dan 7 PKB VI, maka Telkom menyediakan fasilitas, pendanaan dan ijin untuk penyelenggaraan berbagai kegiatan SEKAR dan anggotanya pada jam kerja, selama hal tersebut tidak melanggar peraturan yang berlaku. Sedangkan dalam Pasal 5 PKB VI dijelaskan kedudukan SEKAR sebagai perwakilan karyawan dapat mengusulkan dan membahas penyelesaian berbagai persoalan menyangkut ketenagakerjaan dengan manajemen.

EMPLOYEE ENGAGEMENT SURVEY

Employee Engagement Survey (EES) merupakan indikator yang menunjukkan tingkat keterikatan pegawai di sebuah lingkungan kerja terhadap kebijakan, kepemimpinan, situasi di lingkungan kerja sebuah perusahaan. *Employee Engagement Survey* merupakan kegiatan yang rutin dilakukan oleh Telkom guna mendapatkan informasi mengenai tingkat *engagement* (keterlekatan) karyawan pada organisasi dan juga pada pekerjaannya dan dapat digunakan sebagai salah satu evaluasi atas strategi perbaikan pengelolaan human capital yang telah dilakukan selama tahun 2016.

Indeks *engagement* Telkom di tahun 2016 tergolong tinggi yaitu 89,47%, artinya sebanyak 89,47% responden tergolong kategori *engaged*. Sebanyak 10,5% responden tergolong *somewhat engaged* dan hanya sebesar 0,03% yang tergolong *disengaged*.

Berdasarkan hasil EES tersebut, Telkom memandang perlu dilakukan evaluasi dan perbaikan terhadap kebijakan dan sistem kerja terutama implementasi pada sistem promosi karyawan, sistem manajemen performansi dan sistem pengembangan karyawan. Disamping itu, untuk memastikan didapatnya *talent-talent* terbaik, Telkom melakukan Program *Employee Value Preposition* guna mendapatkan gambaran posisi *brand* Telkom diantara *talent-talent* potensial dibandingkan dengan perusahaan-perusahaan dengan reputasi terbaik dibidangnya di Indonesia

To show consistency of Telkom's respect for human rights, in accordance with Article 6 and 7 of PKB VI, Telkom provides facilities, funding and permit for various SEKAR activities and for its member during working hour. As long as it does not violate the applicable regulations. Whereas in Article 5 of PKB VI it is stated that SEKAR's position as employee's representative allows it to propose and discuss with the management solutions to various issues relating to labor.

EMPLOYEE ENGAGEMENT SURVEY

Employee Engagement Survey (EES) is an indicator that illustrate the level of engagement of an employee in a working situation against policy, leadership and situation in a working environment. Employee Engagement Survey is an activity routinely conducted by Telkom to obtain information on engagement level of employee to the organization and to their work and can be used as one form of evaluation of human capital management improvement strategy that has been on-going since 2016.

Telkom engagement index in 2016 is fairly high, that is 89.47%, meaning that 89.47% respondent is categorized as engaged. As much as 10.5% categorized as somewhat engaged and only around 0.03% categorized as disengaged.

Based on the results of the EES, Telkom saw the need to do an evaluation and improvement of work policies and systems, especially the implementation of employee promotion system, performance management system and employee development system. In addition, to ensure that it acquired the best talents, Telkom ran the Employee Value Preposition Program to gain insight into Telkom's brand position among the potential talents compared to companies with the best reputation in their respective fields in Indonesia.

PENGHARGAAN DI BIDANG SDM

Berbagai program dibidang SDM yang kami laksanakan dengan terencana, terarah dan konsisten membuat Telkom meraih berbagai penghargaan utama di bidang pengelolaan SDM, sebagai berikut:

- Indonesia *Human Capital Study Award 2015 - Dunamis Organization Service*, dengan kategori
 - *Best All Human Capital Criteria*
 - *Best Employee Net Promotor Score*
 - *Best Career Management Initiatives*
 - *Best Talent Management Initiative*
 - *Best Employee Self Service Initiatives*
 - *Best of CEO Commitment of Human Capital Development*
- *Best Employer Asia Pacific 2016 - AON HEWITT*, dengan kategori *Best Employer Indonesia dan Best Of The Best Employer Indonesia*.
- *Asia Corporate Sustainability Award - MORS Group*, dengan kategori *Best Company to Work for In Asia*.
- *Attractive Employer - Universum*, dengan kategori *3rd Most Desirable Employers Among IT Students* versi Universum.
- *BUMN Leaders Award 2016 - SWA & IPMI Business School*, dengan kategori *Best Chief of Human Capital BUMN*.

AWARDS IN HUMAN RESOURCES

Various program in the area of human resources that we run that is well-planned, well-organized and consistent has brought Telkom to achieve a number of main awards in management of human resources. Those awards are as follows:

- Indonesia Human Capital Study Award 2015 - Dunamis Organization Service, in the following categories
 - Best All Human Capital Criteria
 - Best Employee Net Promotor Score
 - Best Career Management Initiatives
 - Best Talent Management Initiative
 - Best Employee Self Service Initiatives
 - Best of CEO Commitment of Human Capital Development
- Best Employer Asia Pacific 2016 - AON HEWITT, in Best Employer Indonesia and Best Of The Best Employer Indonesia category.
- *Asia Corporate Sustainability Award - MORS Group*, with *Best Company to Work for In Asia* category.
- *Attractive Employer - Universum*, in “*3rd Most Desirable Employers Among IT Students*” Universum version.
- *BUMN Leaders Award 2016 - SWA & IPMI Business School*, in *Best Chief of Human Capital BUMN* category.

Synergy
Among us

is a
MUST

It Makes Us
UNBEATABLE

Alex J Sinaga • CEO Telkom Group





MEMENTINGKAN KESELAMATAN DAN KESEHATAN KERJA

PRIORITIZING OCCUPATIONAL SAFETY AND HEALTH (OSH)

- 159 Kebijakan K3**
OSH Policy
- 159 Komite K3**
OSH Committee
- 160 Program-Program K-3**
K-3 Programs
- 164 Kesehatan Kerja**
Health at Work
- 165 Penghargaan Dan Sertifikasi K3**
Awards and Certifications of OHS

KESELAMATAN DAN KESEHATAN KERJA (K3) PRIORITIZING OCCUPATIONAL SAFETY AND HEALTH (OSH)



“

Bagi kami, upaya menjaga keselamatan dan kesehatan kerja mengandung arti upaya peningkatan produktivitas karyawan yang berujung pada meningkatnya kinerja operasional serta kinerja keuangan Telkom.”

“For us, the effort to maintain occupational health and safety means improving productivity of employees which leads to the improvement of operational and financial performance of Telkom”

Bagi Telkom, kinerja K3 yang baik, yang diwujudkan dengan *capaian zero accident* dan rendahnya tingkat absensi, akan meningkatkan produktivitas karyawan dan pada akhirnya mendukung peningkatan kinerja operasional serta kinerja keuangan Perseroan, selain mengandung arti memenuhi harapan karyawan sebagai salah satu pemangku kepentingan dengan kedudukan strategis. Penerapan aspek Keselamatan dan Kesehatan Kerja (“K3”) sendiri tercakup dalam tujuan pembangunan global berkelanjutan (SDGs), yakni butir ke-3 “Kesehatan yang Baik dan Kesejahteraan” dan oleh karenanya, Telkom berkepentingan untuk mencatatkan kinerja aspek K3 terbaik.

KEBIJAKAN K3 [G4-DMA, G4-LA8]

Komitmen untuk memenuhi ketentuan peraturan perundangan di bidang keselamatan, kesehatan dan keamanan lingkungan kerja, kami wujudkan dengan menerapkan program K3 berdasarkan Keputusan Direksi tentang Penetapan Kebijakan Pengelolaan Keamanan dan Keselamatan Perusahaan (*Enterprise Security and Safety Governance*) No.KD.37/2010 tanggal 26 Oktober 2010. Komitmen dibidang K3 ini juga tercantum dalam PKB VI Pasal 46 yang menyatakan “Telkom wajib menjaga keselamatan dan kesehatan kerja karyawan sesuai perundang-undangan yang berlaku”.

Oleh karenanya, selain memberikan pengertian dan pelatihan mengenai K3, kami juga memberikan layanan kesehatan bagi karyawan beserta keluarganya melalui Yakes Telkom. Kami menyediakan laman www.yakestelkom.or.id yang berisi seluruh informasi mengenai sosialisasi, pendidikan, pelatihan, konseling, program pencegahan dan pengendalian risiko tentang penyakit berbahaya/serius bagi karyawan dan keluarganya.

Target pengelolaan K3 kami adalah mencapai tingkat kecelakaan nihil atau *zero accident* di seluruh unit-unit operasional Telkom.

KOMITE K3

Kami telah membentuk Panitia Pembina Keselamatan dan Kesehatan Kerja (P2K3) di setiap Regional dan Witel yang diketuai oleh pejabat tertinggi di lokasi kerja tersebut sebagai wujud komitmen manajemen dalam mengimplementasikan aspek SMK3 secara berkelanjutan. Anggota P2K3 menjalankan beberapa fungsi antara lain *building management*, kesehatan, *human capital*, *procurement* dan Serikat Karyawan.

For Telkom, a good performance of OSH, which is embodied with the achievement of zero accident and low levels of absent, will increase employees productivity and at the end, will support the improvement of operational performance as well as financial performance of the Company, which also means to meet the expectations of employees as one of the stakeholders in a strategic position. The implementation of OSH aspects itself is included in point 3 of the global sustainable development goals (SDGs): “Good Health and Well-Being”, and therefore, Telkom has interest to record the best performance of OSH aspects.

OSH POLICY [G4-DMA, G4-LA8]

Our commitment to comply with laws and regulations in the areas of security, occupational health and safety is realized with the implementation of OSH program based on the Board of Directors’ Resolution regarding the Decision on Enterprise Security and Safety Governance No.KD.37/2010 dated October 26, 2010. This commitment in the field of K3 is also stipulated in the Article 46 of the PKB VI, which states that “Telkom shall maintain occupational health and safety of the employees in accordance with the applicable laws and regulations”.

Therefore, in addition to providing understanding and training with regard to OSH, we also provide healthcare for employees and their immediate family dependents through Yakes Telkom. We provide www.yakestelkom.or.id, containing all information in regard to publication, education, training, counseling of risk control and prevention of serious/dangerous diseases for employees and their families.

Our target for OSH management is to achieve zero accident in all operational units of Telkom.

OSH COMMITTEE

We have established an Occupational Health and Safety Supervisory Committee (OH&S Supervisory Committee) in each Regional and Witel which led by the highest official in the workplace as a form of commitment from the management in implementing SMK3 aspects continuously. Members of OSH Supervisory Committee perform numerous functions, among others, building management, health, human capital, procurement and Labor Union.

PROGRAM-PROGRAM K3

Berbagai kegiatan yang Kami lakukan dalam rangka meningkatkan kinerja Telkom di bidang K3, antara lain:

- **Simulasi Tanggap Darurat Bencana :**

Dilakukan di 10 (sepuluh) lokasi yang mewakili masing-masing wilayah Telkom Regional yaitu: Kantor Telkom Regional VII, IV, V, dan Kantor Telkom Regional VI Kalimantan; Kantor Witel Solo, Yogyakarta, Jakarta Pusat, Jabar Tengah (Lembong), Jakarta Selatan, Jakarta Barat, dan Kantor Witel Jakarta Timur; serta Gedung STO Johar TREG-IV.

Jenis simulasi yang dilakukan mempertimbangkan hasil kajian risiko ditempat masing-masing, seperti simulasi kebakaran, bencana banjir dan huru-hara.

OSH PROGRAMS

We conduct several activities in order to improve Telkom's performance in the field of OSH, which are:

- **Disaster Emergency Response Simulation:**

We have performed in 10 (ten) locations representing each of Telkom Regional territories, namely: Telkom Regional Offices VII, IV, V and Telkom Regional Office VI, Kalimantan; Witel Offices of Solo, Yogyakarta, Central Jakarta, Central West Java (Lembong), South Jakarta, West Jakarta and East Jakarta Witel Office; and STO Building, Johar TREG-IV.

The type of simulation is conducted in consideration of the risk assessment report of each place, such as, simulation of fire, floods and riots.



Simulasi Tanggap Darurat Kebakaran di Witel Solo
Fire Disaster Response Simulation in Witel Solo

Tujuan dilakukannya Simulasi Tanggap Darurat Bencana di lingkungan Telkom, yaitu:

1. Untuk menjaga kelangsungan bisnis Telkom disaat terjadi bencana (*disaster*) serta selalu siap dalam menghadapi bencana bersama pihak eksternal seperti: BASARNAS, DAMKAR, TNI/POLRI dan BNPB.
2. Menghimpun seluruh karyawan untuk mengatasi bila terjadi bencana (alam, kebakaran) dilingkungan kerja yang dapat membahayakan jiwa maupun aset perusahaan secara terkoordinir sehingga kerugian-kerugian tersebut dapat diimimalisir.
3. Untuk menghindari timbulnya kepanikan dan mencegah tindakan yang salah saat terjadi bencana yang dapat menimbulkan kerugian yang besar.
4. Memberikan petunjuk kepada para petugas tanggap darurat agar operasi penanggulangan bencana dapat berjalan dengan lancar, efektif dan efisien.

The purpose of Disaster Emergency Response Simulation conducted in Telkom's environment are:

1. To maintain the continuity of Telkom's business if a disaster happened and to always be prepared for any disaster together with external parties, such as: National Search and Rescue Board (*BASARNAS*), Fire-Fighters (*DAMKAR*), army/police (*TNI/POLRI*) and the National Board for Disaster Management (*BNPB*).
2. To gather all employees to correctly handle if disasters happened (natural disaster, fire) at the work site that can endanger any lives and the company's assets, so that it can minimize losses accordingly.
3. To avoid panic and to prevent against any wrong actions which can lead to big losses if a disaster happened.
4. To provide guidance to emergency responders, so that the disaster relief operation can run smoothly, effective and efficient.

- **Sosialisasi Pertolongan Pertama Pada Kecelakaan**

Sama halnya pada simulasi tanggap darurat bencana diatas, kami sekaligus melaksanakan sosialisasi Pertolongan Pertama Pada Kecelakaan. Tujuan dilaksanakan sosialisasi P3K adalah untuk kesiapan karyawan Telkom menolong sesama ketika terjadi kecelakaan dilingkungan kerja karyawan akibat bencana alam atau resiko pekerjaan sebelum ditangani lebih lanjut oleh Tim Medis atau dokter diantaranya melaksanakan resusitasi jantung dan paru (RJP), mencegah kondisi lebih buruk pada korban dan memberikan rasa nyaman (mengurangi rasa sakit dan takut).

- **Program Zero Accident [G4-LA6]**

Kami menyelenggarakan Program **Zero Accident** dengan berpedoman pada peraturan ketenagakerjaan dan aturan K3 Dinas Tenaga Kerja setempat. Program ini kami evaluasi dan perbaiki setiap tahun.

- **First Aid in Accidents Training**

Similar to the aforementioned disaster emergency response simulation, we have also performed First Aid in Accidents Training. The purpose of the implementation of First Aid Training is for the readiness of Telkom's employees in helping others when an accident occurred at the work site of the employee due to the risk of works or natural disasters before it can be further handled by doctors or Medical Team, among others are performing cardiopulmonary resuscitation (CPR), preventing worse condition on the victims and comforting the victims (lessening the pain and fear).

- **Zero Accident Program [G4-LA6]**

We organized Zero Accident Program based on employment legislations and OSH rules of local Office of Employment. This program is evaluated and developed in every year.

Berikut adalah data jam kerja selamat periode 2014-2016.

Below is the safe work hours throughout 2014-2016.

Lokasi/Location	Jam Kerja Selamat/Save Work Hours		
	2016	2015	2014
Telkom Witel Jabar Barat Utara (Bekasi) <i>Telkom Witel North West of West Java (Bekasi)</i>	1.110.416	3.591.120	3.148.888
Telkom Witel Jabar Barat (Bogor) <i>Telkom Witel West of West Java(Bogor)</i>	1.988.131	8.666.697	2.181.146
Telkom Witel Jakarta Barat <i>Telkom Witel West Jakarta</i>	3.764.728	4.265.880	2.458.200
Telkom Witel Jakarta Selatan <i>Telkom Witel South Jakarta</i>	2.786.477	1.114.848	1.704.260
Telkom Witel Jakarta Timur <i>Telkom Witel East Jakarta</i>	2.296.028	2.048.184	1.738.720
Telkom Area Jakarta Utara <i>Telkom Witel North Jakarta</i>	3.009.952	2.483.192	2.207.095
Telkom Area Tangerang	3.631.392	3.204.192	2.683.906
Telkom Regional Sumatera	18.012.836	13.848.352	8.884.232
Telkom Regional Jawa Barat <i>Telkom Witel West Java</i>	5.658.458	5.171.923	5.160.189
Telkom Regional Jawa Tengah <i>Telkom Witel Central Java</i>	5.658.458	7.017.171	1.589.177
Telkom Regional Jawa Timur <i>Telkom Witel East Java</i>	12.314.243	10.828.032	9.152.000
Telkom Regional Kalimantan	5.107.194	4.471.856	4.471.856
Kawasan Timur Indonesia <i>Eastern Indonesia Region</i>	5.592.672	5.412.640	8.186.134
Telkom GMP Bandung (Japati)	3.241.802	3.600.280	3.740.736
Telkom GMP Jakarta	3.642.121	13.749.318	3.679.508
Telkom Area Jakarta Pusat <i>Telkom Area Central Jakarta</i>	4.516.536	3.809.288	3.809.288
Witel Riau Kepulauan (RIKEP) Batam <i>Witel Riau Islands (RIKEP) Batam</i>	1.670.056	1.373.696	-
Witel Riau Daratan (RIDAR) <i>Witel Riau Mainland (RIDAR)</i>	817.656	889.904	-
DIY	729.414	6.971.000	-
Maluku Timur <i>East Maluku</i>		3.204.992	-

• Penyediaan P3K di Ruang Kerja

Peralatan atau perlengkapan pertolongan pertama pada kecelakaan minimal yang perlu dipersiapkan dalam usaha memberikan pertolongan, antara lain sebagai berikut:

- Kasa Pambalut (Perban)
- Kasa Steril
- Plester
- Plester Obat
- Pambalut Segitiga
- Kapas
- Gunting
- Lampu senter
- Jepitan

• Sertifikasi Terkait K3

Terkait dengan sertifikasi Terkait K3, Telkom memperoleh dua jenis sertifikat yaitu sertifikat *Golden Flag* untuk penilaian manajemen K3 dan Sertifikat *Zero Accident* yaitu penilaian selama 3 (tiga) tahun berturut-turut tidak terjadi kecelakaan kerja yang menyebabkan kematian atau 3 (tiga) hari tidak dapat bekerja akibat kecelakaan kerja. Kedua sertifikat membuktikan bahwa Telkom sangat disiplin dalam hal implementasi keselamatan dan kesehatan dalam bekerja.

AUDIT INTERNAL DAN EKSTERNAL TERKAIT SMK3

Untuk menjamin SMK3 efektif, maka Telkom juga melakukan *internal assessment* oleh unit SAS secara periodik per tahun sedangkan *external assessment* dilakukan periodik per 3 tahun.

Audit Internal SMK3

Kami melakukan Audit Internal SMK3 untuk 18 (delapan belas) lokasi yaitu: Sumut Barat (Medan) tanggal 10-11 Agustus 2016, (SulSel Makassar) tanggal 19-20 Oktober 2016, Banten Barat (Serang) tanggal 28-29 Juli 2016, GMP Gatsu Jakarta tanggal 12-13 Mei 2016, Jakarta Selatan tanggal 19-20 Mei 2016, Jabar Barat (Bogor) tanggal 12-13 Mei 2016, Banten Timur (Tangerang) tanggal 26-27 Mei 2016, Jakarta Utara Tanggal 28-29 April 2016, Jakarta Barat 19-20 April 2016, Jakarta Pusat tanggal 26-27 Mei 2016, Jabar Barat Utara (Bekasi) tanggal 26-27 April 2016, Jakarta Timur Tanggal 28-29 April 2016, Jateng Tengah (Semarang) tanggal 19-20 Septemebr 2016, Jatim-Surabaya tanggal 28-29 September 2016, GMP Japati Bandung tanggal 15-16 Juni 2016, Balikpapan tanggal 5-6 Oktober 2016, Jabar Tengah (Lembong) tanggal 15-16 Juni 2016, Kantor TREG-3 Jabar tanggal 15-16 Juni 2016, Jabar Timur (Cirebon) tanggal 20-22 Juli 2016

• Providing First Aid Kit (P3K) in Work Site

First aid kit or supplies that need to be prepared in an attempt to help the victim in an accident are:

- Bandage
- Sterile Gauze
- Plaster
- Medical Plaster
- Triangular Bandage
- Cotton.
- Scissor
- Flashlight
- Clip

• OSH Related Certifications

In relation with OSH Related certifications, Telkom has obtained two types of certifications, namely, Golden Flag certificate for the assessment of OSH management and Zero Accident certificate, which the assessment within 3 (three) subsequent years for no-accident at work that is causing any death or 3 (three) days absent from work due to the accident at work. Both certificates prove that Telkom is very discipline in terms of the implementation of occupational health and safety.

INTERNAL AND EXTERNAL AUDITS RELATED TO OSH Management System

In order to ensure the effectiveness of SMK3, Telkom also conducted an internal assessment by the SAS unit periodically every year, while an external assessment is periodically conducted every 3 (three) years.

OSH Management System Internal Audit

We conduct OSH Management System Internal Audit on 18 (eighteen) locations, namely: Western of North Sumatera (Medan) on August 10-11, 2016; Makassar (South Sulawesi) on October 19-20, 2016; West Banten (Serang) on July 28-29, 2016; GMP Gatot Subroto-Jakarta on May 12-13, 2016; South Jakarta on May 19-20, 2016; Western of West Java (Bogor) on May 12-13, 2016; East Banten (Tangerang) on May 26-27, 2016; North Jakarta on April 28-29, 2016; West Jakarta on April 19-20, 2016; Central Jakarta May 26-27, 2016; Northwest of West Java (Bekasi) on April 26-27, 2016; East Jakarta on April 28-29, 2016; Central of Central Java (Semarang) on September 19-20, 2016; East Java-Surabaya on September 28-29, 2016; GMP Japati-Bandung on June 15-16, 2016; Balikpapan on October 5-6, 2016; Central of West Java (Lembong) on June 15-16, 2016; TREG-3 Office of West Java on June 15-16, 2016; and Eastern of West Java (Cirebon) on July 20-22, 2016.

Audit Eksternal SMK3

Melaksanakan Audit Eksternal SMK3 untuk di 7 (tujuh) Lokasi yaitu: Sulsel (Makassar) tanggal 16-18 Nopember 2016, Sumut Barat (Medan) tanggal 28-30 September 2016, Balikpapan tanggal 9-11 November 2016, Jakarta Barat tanggal 22-23 September 2016, Jateng Tengah (Semarang) tanggal 17-19 Oktober 2016, Jabar Tengah (Lembong) tanggal 10-12 Oktober 2016, Jatim-Surabaya tanggal 24-25 November 2016.

PENINGKATAN KOMPETENSI K3 (Pelatihan)

1. SAS Witel Tangerang melaksanakan pelatihan Pemadaman kebakaran Gedung tanggal 26 Oktober 2016.
2. SAS Witel Malang melaksanakan Pelatihan Pemadaman Kebakaran tanggal 11 Oktober 2016.
3. CorpU Melakukan Pelatihan Mobil *Learning* dan SMK3 di Witel Karawang tanggal 18 Oktober 2016.

OSH Management System External Audit

We conducted OSH Management System External Audit on 7 (seven) locations, namely: South Sulawesi (Makassar) on November 16-18, 2016; Western of North Sumatera (Medan) on September 28-30, 2016; Balikpapan on November 9-11, 2016; West Jakarta on September 22-23, 2016; Central of Central Java (Semarang) on October 17-19, 2016; Central of West Java (Lembong) on October 10-12, 2016; and East Java - Surabaya on November 24-25, 2016.

IMPROVEMENT OF OSH COMPETENCE (Trainings)

1. SAS Witel of Tangerang conducted training on fire-fighting on building on October 26 2016.
2. SAS Witel of Malang conducted training on Fire-Fighting on October 11 2016.
3. CorpU conducted OSH Management System and Mobile Learning Training in Witel of Karawang on October 18 2016.



SAS Witel Malang melaksanakan Pelatihan Pemadaman Kebakaran

SAS Witel of Malang in performing Fire-Fighting Training



CorpU Melakukan Pelatihan Mobil Learning dan SMK3 di Witel Karawang

CorpU in performing OSH Management System and Mobile Learning in Witel of Karawang

APLIKASI SMK3 ONLINE DAN SAFETY CARE ONLINE

Telkom telah menyediakan berbagai fitur aplikasi untuk mendukung pencapaian *zero accident*, yakni aplikasi SMK3 *online* dan *safety care online*, sebagai berikut.

1. Aplikasi SMK3 *online*, dikembangkan sesuai dengan Peraturan Pemerintah No.50 tahun 2012. Aplikasi ini dapat diakses oleh seluruh pegawai yang terdiri dari kriteria pengukuran SMK3. Aplikasi ini dapat digunakan untuk aktivitas *monitoring*, evaluasi, dan analisis secara *online* sehingga mempermudah dan mempercepat proses implementasi dan pemutakhiran informasi secara nasional.
2. Aplikasi *safety care online*, merupakan sarana untuk menumbuhkan kepedulian pegawai terkait aspek aspek K3 di lokasi kerja masing-masing, misalnya untuk menginformasikan kondisi di lokasi pekerjaan yang berisiko terhadap kelangsungan K3 sehingga dapat segera ditindaklanjuti solusinya.
3. Aplikasi portal SAS untuk mempublikasikan aktivitas K3 yang dapat diakses secara nasional dengan kontributor para *person in charge* SAS secara nasional.

KESEHATAN KERJA

Kami menyediakan layanan kesehatan bagi karyawan dan pensiunan beserta keluarga inti, yang dikelola oleh Yayasan Kesehatan (“Yakes”) Telkom. Mengingat terdapat korelasi yang erat antara peningkatan kesejahteraan, tingkat kesehatan karyawan dan perbaikan produktivitas perusahaan, setiap tahun kami menyelenggarakan *medical check up*, yang hasilnya berupa status kesehatan (*stakes*).

Kami menindak lanjuti data *stakes* tersebut, dengan merancang program-program peningkatan kesehatan, baik melalui tindakan pencegahan, misalnya melalui program olah raga bersama, maupun tindakan pengobatan yang diperlukan sesuai rekomendasi dokter/ rumah sakit rujukan. Kami juga telah menerbitkan kebijakan paradigma hidup sehat.

Untuk karyawan entitas anak, kami memberikan tunjangan kesehatan melalui program jaminan kesehatan yang disponsori oleh pemerintah yang dikenal sebagai Jamsostek (kini bernama BPJS dan BPJSK).

Untuk karyawan purna tugas, termasuk istri/suami dan anak, ada dua jenis program untuk jaminan kesehatan purna tugas, yakni:

1. Karyawan yang diangkat sebagai calon pegawai sebelum tanggal 1 November 1995 dan memiliki masa kerja lebih dari 20 tahun, berhak mengikuti jaminan layanan kesehatan yang dikelola Yakes Telkom.
2. Semua karyawan tetap lainnya memperoleh layanan kesehatan dalam bentuk tunjangan asuransi.

SMK3 ONLINE APPLICATION AND SAFETY CARE ONLINE

Telkom has provided various of application features to support zero accident achievement, namely, SMK3 online and safety care online applications, as follows:

1. SMK3 online application, is developed in accordance with Government Regulation No.50 of 2002. This application can accessed by all employees consisting of SMK3 measurement criteria. This application can be used for activities: monitoring, evaluation and online-basis analysis, thus, simplifying and speeding up the process of implementation and updating information nationally.
2. Safety care online application, is a facility to raise awareness of employees related to aspects of OSH at each work sites, such as, to inform the conditions at the job site which may risk the continuity of the OSH, so that the solution may soon be implemented.
3. SAS portal application is to publish OSH activity that is accessible nationwide with contributors to the person in charge of SAS nationally.

HEALTH AT WORK

We provide healthcare services for employees and retirees and their immediate family, managed by Yayasan Kesehatan (“Yakes”) Telkom or Telkom’s Health Foundation. Given the close correlation between the increase of welfare, the employees’ health rate and the improvement of the company’s productivity, every year, we organize medical check-ups, which result is health status (*stakes*).

We follow up data of the health status, by designing programs to improve health, through preventive actions, such as joint exercise program, as well as the required treatment actions as recommended by the referral doctors/hospitals. We have also issued a paradigm of healthy living policy.

As for the employees of subsidiaries, we provide healthcare benefits through a health insurance program sponsored by the government, known as the Manpower Social Security (nowadays, known as BPJS and BPJSK).

We provide healthcare benefits for all retired employees, including their husband/wife and children. There are two types of healthcare programs for the retired employees, namely:

1. Employees who are appointed as prospective employees prior to November 1, 1995 and have term of office more than 20 (twenty) years.
2. All other permanent employees obtain healthcare in form of insurance benefits.

PENGHARGAAN DAN SERTIFIKASI K3

Berikut adalah berbagai penghargaan terhadap kinerja kami di bidang K3.

- Penghargaan dalam bidang K3 (*Zero Accident*) dari Kemenakertrans sejak tanggal 1 Januari 2013 s/d 31 Desember 2015.
- Penghargaan dalam bidang K3 (*Zero Accident*) dari Kemenakertrans sejak tanggal 1 Januari 2013 s/d 31 Desember 2015 yaitu untuk Witel Riau Daratan, Kantor Treg-I Medan, Witel Medan, Kantor Treg-II Jakarta, Witel Jakarta Pusat, Witel Jakarta Barat, Witel Jakarta Utara, Witel Jakarta Timur, Witel Jakarta Selatan, Witel Bekasi, Witel Bogor, Kantor GMP Japati Bandung, kantor Treg-III Jabar, Witel Bandung, Witel Cirebon, Witel Yogyakarta, Witel Madiun, Witel Balikpapan, Witel Banjarmasin
- Penghargaan Kemenakertrans Direktorat Jenderal Pembinaan Pengawasan Ketenagakerjaan hasil audit Sistem Manajemen K3 (SMK3) yang telah mendapatkan "Tingkat Penilaian Memuaskan" untuk kategori "Tingkat Lanjut" untuk Witel Riau Daratan, Witel Riau Kepulauan, Witel Jakarta Pusat, Witel Jakarta Selatan, Witel Banten Timur.

OSH CERTIFICATIONS AND AWARDS

The followings are the awards for our performance in the field of OSH:

- An award in the field of OSH (*Zero Accident*) from the Ministry of Manpower and Transmigration since January 1, 2013 to December 31, 2015.
- An award in the field of OSH (*Zero Accident*) from the Ministry of Manpower and Transmigration since January 1, 2013 to December 31, 2015 for Witel Riau Mainland, Treg-I Office-Medan, Witel Medan, Treg-II Office-Jakarta, Witel Central Jakarta, Witel West Jakarta, Witel North Jakarta, Witel East Jakarta, Witel South Jakarta, Witel Bekasi, Witel Bogor, GMP Japati Office-Bandung, Treg-III Office-West Java, Witel Bandung, Witel Cirebon, Witel Yogyakarta, Witel Madiun, Witel Balikpapan, Witel Banjarmasin.
- An award from the Directorate General of Manpower Development and Control of the Ministry of Manpower and Transmigration for the audit report of OSH Management System (SMK3) which have earned "Assessment Rate: Satisfactory" for Advanced category, for Witel Riau Mainland, Witel Riau Islands, Witel Central Jakarta, Witel South Jakarta, Witel East Banten.







MENDUKUNG UPAYA PELESTARIAN LINGKUNGAN

SUPPORTING ENVIRONMENTAL PRESERVATION

- 169** **Komitmen dan Kebijakan Lingkungan Telkom**
Telkom's Environmental Commitment and Policies
- 170** **Mitigasi Dampak Lingkungan Kegiatan Telkom**
Environmental Impact Mitigation of Telkom's Activities
- 170** **Implikasi, Risiko Dan Peluang Bisnis Telkom Akibat Perubahan Iklim**
Implications, Risks and Telkom Business Opportunities due to Climate Change
- 172** **Partisipasi Pada Upaya Pelestarian Lingkungan**
Participation in Environment Conservation Efforts
- 179** **Evaluasi Implementasi Program Telkom Go Green**
Telkom Go Green Evaluation
- 179** **Peningkatan Budaya Sehat Dan Ramah Lingkungan**
Improvement of Healthy and Environmentally-Friendly Culture
- 180** **Mendukung Kegiatan Ekonomi Yang Ramah Lingkungan**
Supporting Environmentally-Friendly Economic Activities
- 181** **Partisipasi Pada Berbagai Kegiatan Penghijauan**
Participation in Various Reforestation Activities
- 182** **Penghargaan**
Awards

MENDUKUNG UPAYA PELESTARIAN LINGKUNGAN SUPPORTING ENVIRONMENTAL PRESERVATION



“

Terganggunya kelestarian lingkungan akan mempengaruhi seluruh sendi kehidupan manusia dan makhluk hidup lainnya di muka bumi. Oleh karenanya sekalipun kegiatan operasionalnya tidak berdampak signifikan terhadap lingkungan, sebagai salah satu korporasi yang terus bertumbuh dengan baik, Telkom tetap mengedepankan kegiatan operasional yang ramah lingkungan dan mengoptimalkan produk dan jasa yang dihasilkan untuk mendukung upaya pelestarian lingkungan.”

“Disruption of the environment affects all aspects of human life and other living things on earth. Therefore, even if operational activities do not have a significant impact on the environment, as a Company that continues to grow, Telkom continues to prioritize operational activities that are environmentally friendly and optimize products and services produced in support of environmental conservation efforts “.

Isu lingkungan kini semakin berkembang menjadi salah satu isu penting pada setiap kegiatan pembangunan suatu kawasan. Sedemikian penting, sehingga kesepakatan negara-negara di seluruh dunia yang tercakup dalam SDGs, menyinggung isu lingkungan pada sedikitnya empat tujuan pembangunan global, yakni:

- Butir ke-7, “Energi Bersih dan Terjangkau.
- Butir ke-13 “Aksi Terhadap Iklim.
- Butir Ke-14 “Kehidupan Bawah Laut.
- Butir Ke 15 “Kehidupan di Darat.

Sejatinya, kegiatan operasional Telkom tidak berdampak negatif langsung yang signifikan terhadap lingkungan. Namun demikian kami tetap berkomitmen untuk menjalankan kegiatan operasional yang lebih ramah lingkungan dan berpartisipasi aktif terhadap upaya menjaga kelestarian lingkungan bersama warga dunia lainnya. Meyakini bahwa layanan *telecommunications, information, media, edutainment* dan *services*, dapat meningkatkan efisiensi dan efektivitas operasional, kami berupaya maksimal agar produk jasa dan layanan Telkom tersebut juga digunakan secara optimal untuk mendukung upaya pelestarian lingkungan.

KOMITMEN DAN KEBIJAKAN LINGKUNGAN TELKOM

Komitmen Telkom terhadap kelestarian lingkungan dituangkan dalam Surat Edaran No.ED.130/PS000/SDM-20/2008 tentang Langkah-langkah Efisiensi dalam Rangka Penghematan di Lingkungan PT Telkom Indonesia (Persero) Tbk, yang dilaksanakan melalui berbagai program, baik di lingkungan internal perusahaan maupun di lingkungan masyarakat. Penerapan dari kebijakan tersebut kami wujudkan melalui berbagai kegiatan terkait lingkungan yang dilaksanakan di lingkup internal Telkom maupun kegiatan yang dilakukan bersamadengan masyarakat luas.

Dalam rangka memastikan pelaksanaan program yang sesuai dengan kebijakan di bidang lingkungan serta mendapatkan gambaran pencapaian target yang ditetapkan, kami menugaskan satuan kerja terkait untuk melakukan kegiatan pemantauan dan evaluasi secara berkala, untuk kemudian melaporkannya kepada manajemen. Adapun parameter kondisi lingkungan yang dijadikan rujukan, adalah, efisiensi penggunaan energi, emisi CO₂ dan konsumsi air. Kami memandang parameter tersebut masih relevan dengan dampak lingkungan dari kegiatan operasional kami.

Environmental issues are increasingly developing into a key issue in all development activities of the region. It is that important that the agreement of all countries around the world covered in the SDGs mentions environmental issues in at least four global development goals, namely:

- 7th Goal, “Affordable and Clean Energy”.
- 13th Goal, “Climate Action”.
- 14th Goal, “Life Below Water”.
- 15th Goal, “Life on Land”.

Essentially, Telkom’s operations no significant direct negative impact on the environment. However, we remain committed to conduct activities that are more environmentally friendly and to participate actively in efforts to preserve the environment along with other world citizens. Convinced that our telecommunications, information, media, and edutainment services can improve operational efficiency and effectiveness, we try our best to ensure that those Telkom products and services are also used optimally to support environmental conservation efforts.

TELKOM'S ENVIRONMENTAL COMMITMENT AND POLICIES

Telkom’s commitment in preserving the environment is reflected in Circular Letter No.ED.130/PS000/SDM-20/2008 on Efficiency Measures in the Framework of Environment Conservation in PT Telkom Indonesia (Persero) Tbk, are conducted through various programs, both internally within the company and among society. We implement the aforementioned policy through various activities related to the environment that are conducted within Telkom and with society at large.

In order to ensure that the implementation of the programs are in line with environmental policies and is able to show the achievement of determined targets, we task relevant task forces to conduct periodical monitoring and evaluation activities, to then report it to management. The environmental condition parameters used are energy efficiency, CO₂ emissions and water consumption. We view such parameters to still be relevant with the environmental impacts of our operations.

MITIGASI DAMPAK LINGKUNGAN KEGIATAN OPERASIONAL TELKOM

Kegiatan utama dan penggunaan material yang memberi dampak terhadap lingkungan dari operasional kami, antara lain: pembangunan perangkat dan infrastruktur telekomunikasi baik di darat maupun di laut, seperti pendirian menara *base transceiver station* (BTS), pemasangan kabel telekomunikasi di bawah laut dan kegiatan transportasi karyawan. Sekalipun minim dampak lingkungannya adalah terganggunya keanekaragaman hayati pada proses pembangunan BTS dan kabel laut, emisi CO₂ dari kegiatan transportasi dan sumber air di lokasi proyek dan kantor.

Kami memiliki kebijakan untuk tidak mendirikan fasilitas pendukung kegiatan tersebut di kawasan hutan lindung maupun kawasan yang dilindungi lainnya, agar tidak mengganggu spesies yang dilindungi, terutama yang tercatat dalam IUCN *Red List*. Kami juga telah menerapkan kebijakan untuk memitigasi dampak lingkungan dari kegiatan operasional yang dilakukan, meliputi:

1. Emisi yang dihasilkan dari kegiatan transportasi untuk kepentingan operasional dan penggunaan unit pembangkit listrik (genset) pada menara BTS di daerah terpencil yang belum terjangkau aliran listrik;
2. Limbah dan sampah yang dihasilkan dari kegiatan administrasi, serta limbah yang mengandung bahan berbahaya dan beracun (B3) dari kegiatan operasional seperti baterai bekas dan pelumas dari mesin genset;
3. Emisi Gas Rumah Kaca (GRK) lainnya dari instalasi pendingin ruangan; serta
4. Pemakaian air untuk keperluan domestik, baik di kantor pusat maupun di perkantoran lainnya.

IMPLIKASI, RISIKO DAN PELUANG BISNIS TELKOM AKIBAT PERUBAHAN IKLIM (G4-EC2)

Risiko kerusakan terhadap infrastruktur pendukung operasional kami, seperti instalasi fix line, fasilitas BTS maupun sarana pendukung lainnya yang berpengaruh terhadap kegiatan operasional Telkom tetap ada jika kelestarian lingkungan tidak terjaga.

Cuaca ekstrem berupa hujan deras berkepanjangan yang mengakibatkan banjir atau longsor, beberapa kali membuat infrastruktur pendukung kami menjadi rusak dan layanan jasa kami terganggu. Selanjutnya, gangguan tersebut berpotensi menurunkan jumlah pelanggan, yang akhirnya akan mengurangi pendapatan. Untuk memitigasi dampak tersebut, kami menyempurnakan kondisi fisik infrastruktur pendukung. Hal ini tentu menimbulkan implikasi finansial berupa tambahan biaya investasi.

ENVIRONMENTAL IMPACT MITIGATION OF TELKOM'S OPERATIONAL ACTIVITIES

The main activities and the use of materials from our operations that impact the environment, include, among others: the development of devices and telecommunications infrastructure both on land and at sea, such as the establishment of base transceiver stations (BTS), the installation of telecommunication cables under the sea and the transport activities of employees. Having minimal impact is the disturbance of biodiversity in the construction of base stations and submarine cables, CO₂ emissions from transportation activities and water resources at project sites and offices.

We have a policy not to set up facilities to support the activity area of protected forests and other protected areas, so as not to disturb protected species, especially those listed in the IUCN Red List. We also have implemented policies to mitigate the environmental impact of operational activities, including:

1. Emissions resulting from transportation activities for operational purposes and the use of electricity generating units (generators) at the base tower stations in remote areas not reached by electricity;
2. Waste generated from administrative activities, as well as waste containing hazardous and toxic materials (B3) from operations such as used batteries and lubrication from electricity generators;
3. Other Greenhouse Gas emissions (GHGs) from air-conditioning installations; and
4. The use of water for domestic use, both at the headquarters and at the other offices.

IMPLICATIONS, RISKS AND TELKOM BUSINESS OPPORTUNITIES DUE TO CLIMATE CHANGE (G4-EC2)

Risk of damage to the infrastructure supporting our operations, such as the installation of fixed lines, BTS facilities and other supporting facilities that affect the operations of Telkom will persist if environmental sustainability is not maintained.

Extreme weather in the form of prolonged heavy rainfall resulting in flooding or landslides, have at times, damaged our infrastructure and disrupted our services. Furthermore, the disorder could potentially reduce the number of customers, which ultimately will reduce revenue. To mitigate these impacts, we have enhanced the physical conditions of supporting infrastructure. This certainly raises financial implications in the form of additional investment costs.

Disisi lain,keandalan perangkat dan infrastruktur telekomunikasi yang kami bangun, saat ini telah mampu mendukung aktifitas pelanggan baik dalam berkomunikasi maupun mendukung kegiatan ekonomi melalui pemanfaatan aplikasi berbasis teknologi informasi, tanpa tergantung pada kondisi iklim. Berbagai kegiatan perkantoran kini dapat dilakukan melalui interaksi komunikasi antara individu dan kelompok menggunakan interaksi jarak jauh dengan dukungan *teleconference*, internet dan aplikasi Wi-Fi, sehingga mengurangi kegiatan transportasi dan menghindarkan emisi CO₂.

Perkembangan tersebut berpengaruh positif dan menciptakan peluang bagi peningkatan jumlah pelanggan maupun volume jasa telekomunikasi dan traffic data yang kami tawarkan, yang pada akhirnya berkontribusi pada peningkatan pendapatan.

On the other hand, the devices and telecommunications infrastructure that we have built are now able to support customer activities both in the communicating and in supporting economic activities through the use of information technology-based applications, without depending on climatic conditions. Various office activities can now be done through interaction between individuals and groups using long distance interaction with teleconference support, internet and Wi-Fi applications, thus reducing transport activities and decreasing CO₂ emissions.

These developments have positive impacts and creates opportunities for increasing the number of customers as well as enhancing the telecommunication services and data traffic volume that we offer, which ultimately contributes to improved earnings.

RESPON TELKOM TERHADAP PERUBAHAN IKLIM

Telkom's Response to Climate Change

Sebagai respon dan bentuk partisipasi terhadap upaya menanggulangi perubahan iklim berskala global yang dilakukan bersama masyarakat dunia, kami berupaya memitigasi dampak lingkungan akibat operasional perusahaan. Hal tersebut kami wujudkan antara lain dengan:

- Menjalankan kebijakan operasional ramah lingkungan.
- Mengembangkan paket produk aplikasi teknologi informasi untuk mendukung implementasi "Kantor Tanpa Kertas" bagi pelanggan korporasi maupun individual.

Menjalankan serangkaian program dukungan terhadap upaya perbaikan kualitas lingkungan, seperti: dukungan dan pelaksanaan penghijauan, serta upaya membudayakan pola hidup sehat.

As a response and as a participation in the efforts to tackle climate change on a global scale conducted with the world community, we seek to mitigate the environmental impacts of the company's operations. We realize this by:

- Running environmentally friendly operational policies.
- Develop the information technology applications product packages to support the implementation of the "Paperless Office" for corporate and individual customers.

Running a series of programs of support for efforts to improve environmental quality, such as: support for and the implementation of reforestation, as well as efforts to cultivate healthy lifestyles.

PARTISIPASI PADA UPAYA PELESTARIAN LINGKUNGAN

Kami berpartisipasi dalam upaya melestarikan lingkungan hidup melalui program lingkungan yang dinamakan Telkom *Go Green Action*. Program ini meliputi seluruh aspek operasional Telkom termasuk pada aspek pengelolaan gedung perkantoran yang dikoordinasikan oleh Telkom *Property*.

Pada pengelolaan gedung, kami menerapkan Program *Energy Management*, melakukan dan merencanakan pengelolaan energi jangka pendek, jangka menengah dan jangka panjang; dengan target penurunan sebesar 20% sesuai dengan Keputusan Menteri ESDM, besaran target penurunan penggunaan energi bagi BUMN; pada prinsipnya kami menggunakan 2 pendekatan "*to be more energy/carbon efficient*", yaitu :

- a. Aktif Desain pada perangkat Mekanikal dan Elektrikal gedung, baik pada kegiatan operasional, kegiatan maintenance, kegiatan penggantian, kegiatan retrofit maupun kegiatan optimasi.
- b. Passive Desain pada desain bangunan gedung baru, kami mengupayakan memenuhi kriteria green building, seperti pada gedung TLT yang sedang dibangun. Selanjutnya, secara korporasi, kami bersinergi melaksanakan 3 program utama dalam rangka mendukung pencapaian efisiensi energi / emisi karbon, yaitu:
 - a. Program *Managed Service Ruang Perangkat (Data Centre)*; yaitu program pengelolaan data center khusus pada pengelolaan *Air Conditioning*, UPS dan *Fire Suppression*. Unit pendingin pada *Data Center* merupakan konsumen terbesar, yaitu 50%-60% dari kebutuhan energi total. Untuk menekan konsumsi energi kami menggunakan UPS dengan *rectifiers switch mode* yang merupakan sistem yang lebih ramah lingkungan dari pada penggunaan *rectifier* dengan trafo induksi. Sementara pada *Fire Suppression* kami lebih menekankan pada pengelolaan untuk bahan-bahan ramah lingkungannya.
 - b. Program *Managed Service Asset Protection*; yaitu penekanan pada penggunaan media pemadam yang ramah lingkungan sesuai dengan standar internasional NFPA 10 dan NFPA 2001 serta NFPA 2010 dalam mengamankan aset di gedung Telkom.
 - c. Program *Managed Service Listrik*, yaitu program JPS bersama DSO dan FAM dalam pengelolaan energy yang komprehensif dengan target penurunan penggunaan energy sebesar 20% dengan *baseline* tahun 2012, seiring dengan pertumbuhan bisnis.

Penjelasan ringkas berbagai inisiatif operasional yang dilakukan Telkom sebagai wujud partisipasi pelestarian lingkungan adalah sebagai berikut.

PARTICIPATION IN ENVIRONMENT CONSERVATION EFFORTS

We participate in efforts to preserve the environment through an environmental program called the Telkom *Go Green Action*. The program covers all aspects of operations including Telkom's office building management aspects coordinated by Telkom *Property*.

In building management, we have implemented an *Energy Management Program*, conducted short term, medium term and long term energy management and planning; with a reduction target of 20% in accordance with the Decree of the Minister of Energy and Mineral Resources, the amount of energy use reduction targets for SOEs. In principle, we use two approaches "*to be more energy/carbon efficient*", namely:

- a. Active Design on mechanical and electrical aspects of buildings, both in operational activities, maintenance activities, reimbursement activities, retrofitting activities and optimization activities.
- b. Passive design in the design of new buildings, we seek to meet the criteria of green buildings, such as for the TLT building currently under construction. Furthermore, as a corporation, we work together to implement three core programs in order to support the achievement of energy efficiency/carbon emissions, namely:
 - a. Data Center Managed Service Program; namely a data management program specifically focused on the management of Air Conditioning, UPS and Fire Suppression. The cooling units at the Data Centre are the biggest consumers, using 50% -60% of the total energy needs. For reducing energy consumption we use UPS with switch mode rectifiers which is a system that is more environmentally friendly than the use of a transformer rectifier with induction. For fire suppression we place more emphasis on managing environment-friendly materials.
 - b. Managed Service Asset Protection Program; placing emphasis on the use of environmentally friendly extinguishing media in accordance with NFPA 10, NFPA 2001 and NFPA 2010 international standards in securing assets at Telkom buildings.
 - c. Electrical Managed Service Program, a joint program between JPS and DSO and FAM in the management of comprehensive energy reduction targets by 20% using the 2012 baseline, in line with business growth.

A brief description of Telkom's various operational initiatives in participating in the preservation of the environment is as follows.

1. Penghematan Energi dan Mitigasi Emisi Karbondioksida (G4-EN6, G4-EN19)

Sejak tahun 2009, kami telah melaksanakan serangkaian inisiatif program yang ditujukan untuk mengurangi pemakaian energi listrik dalam kegiatan operasional. Dengan demikian, kami telah ikut berkontribusi pada upaya mitigasi emisi gas karbon dioksida (CO₂), mengingat listrik dihasilkan dari pembangkit yang menggunakan bahan bakar fosil konvensional (batu bara dan BBM) yang merupakan sumber emisi gas karbondioksida.

Upaya mitigasi emisi CO₂ kami wujudkan melalui inisiatif manajemen waktu operasional maupun pemakaian peralatan berteknologi terbaru dengan efisiensi tinggi yang lebih ramah lingkungan, antara lain:

- penggunaan AC berteknologi inverter, melakukan *retrofit system fluida dan termodinamika* AC dengan *Artticmaster*, dilaksanakan sejak 2010;
- mengganti lampu TL dengan lampu LED yang memiliki tingkat efisiensi listrik hingga 90% dilakukan sejak 2013;
- pemasangan *capasitor bank* di STO-STO untuk mengurangi pemborosan energy akibat daya reaktif;
- mengganti perangkat *switching* dari TDM *switch* ke perangkat *soft-switch* yang lebih sedikit mengkonsumsi listrik, lebih sedikit membuang panas dan lebih sedikit menempati ruang fisik;
- mengganti perangkat *rectifier* dari tipe *linear-mode* ke tipe *switch-mode* yang memerlukan lebih sedikit energi dengan tingkat efisiensi konversi yang lebih tinggi;
- pembangunan dan pengoperasian *green data center* yang mengedepankan *zero depletion refrigerant* (no CFC), *zero depletion FAP* (N₂ 100% natural gas), material ramah lingkungan (tanpa timbal), serta hemat energi (lampu LED dan *cooling system management*);
- mengganti penggunaan CO₂ pada perangkat APAR dengan *suppression inert gas* dan/ atau golongan *hydrocarbon*, sejak 2015;
- pada Sistem *Fire Suppression* mengganti penggunaan aerosol dengan *suppression inert gas* dan/atau golongan *hydrocarbon*, sejak 2015;
- efisiensi Energi BTS - kami semakin banyak menempatkan BTS di luar gedung pada semua lokasi BTS kami, karena BTS di luar gedung berukuran lebih kecil dibandingkan BTS di dalam gedung dan tidak membutuhkan gardu dan pendingin;
- mengganti jenis BBM dari Premium menjadi Pertamina, untuk meningkatkan efisiensi pembakaran dan mengurangi emisi CO.

1. Energy Conservation and Carbon Dioxide Emission Mitigation (G4-EN6, G4-EN19)

Since 2009, we have carried out a series of program initiatives aimed at reducing electrical energy consumption in our operational activities. Thus, we have contributed to the mitigation of carbon dioxide (CO₂) emissions, considering that electricity is produced from plants using conventional fossil fuel (coal and oil) which is a source of carbon dioxide emission.

We deliver CO₂ emission mitigation efforts through operating time management initiatives and the use of equipment using the latest technology with higher efficiency that are more environmentally friendly, among others:

- The use of Air Conditioners with inverter technology, retrofitting the fluids and thermodynamic system of air conditioners with *Artticmaster*, implemented since 2010;
- Replacement of fluorescent lamps with LED lights that have higher levels of electrical efficiency of up to 90%, since 2013;
- Installation of capacitor banks at STOs to reduce the waste of energy due to reactive power;
- Replacement of TDM switches to soft-switch devices that consume less electricity, less heat and less space;
- Replacement of rectifier devices from linear-mode to switch-modes that require less energy with higher efficiency rates;
- Construction and operation of greendata centers that promote zero depletion refrigerant (no CFC), zero depletion FAP (N₂ 100% natural gas), environment-friendly material (unleaded), and energy efficient (LED lamps and cooling system management);
- Replacement of the use of CO₂ fire extinguisher devices with inert gas suppression and/or hydrocarbons, since 2015;
- In Fire Suppression Systems, replacement of the use of aerosol with inert gas suppression and/or hydrocarbons, since 2015;
- Energy efficient BTS - we increasingly place BTSs outdoors at all of our locations, as outdoor BTSs are smaller than those in buildings and do not require housing and cooling;
- Replacement of the type of fuel used from Premium to Pertamina, to improve combustion efficiency and reduce CO emissions.

Inisiatif-inisiatif tersebut selain membuat penggunaan listrik berkurang, yang berarti memberikan dampak pengurangan emisi CO₂, juga memberi dampak penghematan biaya dari inisiatif terkait, seperti ditunjukkan pada tabel berikut.

These initiatives, in addition to making decreasing electricity use, meaning the reduction of CO₂ emissions impact, also impacts cost savings from the relevant initiatives, as shown in the following table.

Data Penghematan Konsumsi Listrik dari Inisiatif Pemakaian Lampu LED. (G4-EN6, G4-EN19)
Electricity Consumption Saving from LED Light Usage Initiative Data (G4-EN6, G4-EN19)

No	Tahun/Year	Jumlah Lokasi/Location Number	Jumlah Terpasang/Installed Lines	Saving (Kwh)	Saving (Rp)	Reduce (Kg CO2)
1	2013	18	52.194	2.060.337	1.867.190.034	1.835.759,84
2	2014	84	48.118	8.920.043	8.147.754.217	7.947.757,92
3	2015	191	34.783	12.733.125	13.048.932.710	11.345.214,59
4	2016*	0	0	7.873.951	8.259.202.854	7.015.690,35
		293	135.095	31.587.455	31.323.079.815	28.144.422,70

* Pada Tahun 2016, tidak ada penambahan lampu LED
* In 2016, no additional of LED lamp

Data Penghematan Konsumsi Listrik dari Inisiatif Pemakaian Penggunaan AC Ramah Lingkungan. (G4-EN6, G4-EN19)
Electricity Consumption Saving from Environmentally-Friendly AC Usage Initiative Data (G4-EN6, G4-EN19)

No	Tahun	Jumlah Lokasi/Location Number	Jumlah Terpasang/Installed Lines	Saving (Kwh)	Saving (Rp)	Reduce (KgCO2)
1	2014	15	202	28.690	37.297.260	25.562,97
2	2015	460	6.642	2.222.807	2.889.649.620	1.980.521,39
3	2016	0	0	1.246.703	1.620.713.952	1.110.812,41

2. Efisiensi Energi Gedung Perkantoran [G4-EN6]

Kami berupaya meningkatkan efisiensi penggunaan energi listrik melalui pembenahan sistem pasokan energi di gedung-gedung perkantoran yang dikelola. Berbagai langkah strategis yang telah kami lakukan, meliputi:

- penggunaan *capasitor bank* untuk memperbaiki faktor daya, memenuhi ketentuan PLN tentang batasan KVAR, dan mengurangi pemborosan penggunaan listrik yang disebabkan besarnya daya semu dari beban-beban kapasitif. Menyusul keberhasilan uji coba penggunaan *Top Saver 2000*, kami semakin mengintensifkan penggunaannya pada perangkat *non inverter* untuk menekan rugi penggunaan arus listrik;
- pemasangan kaca reflektif (*reflective glass*) setebal 6 mm untuk mengurangi panas yang masuk, sehingga penggunaan AC lebih hemat dan efisien;
- penggantian penerangan dari lampu TL dengan lampu LED yang dapat menghemat energi dan lebih ramah lingkungan. Penggantian ini akan membuat pemakaian listrik untuk penerangan berkurang hingga 90% dari kondisi sebelumnya. Kami juga menerapkan metode *zoning* dan penggunaan *timer* untuk penerangan;
- pada bidang pendinginan ruangan (VAC) kami melakukan optimasi temperatur dengan penggunaan AC inverter dan/atau penggunaan perangkat *Airco Saver* untuk unit AC yang belum ber-inverter. Selain itu, pada penggantian perangkat VAC, *chiller*, kami melakukan pemilihan *chiller* dengan kondisi operasional (COP) terbaik, atau KW/TR terendah.

Pemasangan perangkat elektronik *Airco Saver* pada perangkat pengkondisi udara (AC) dengan kapasitas 2 PK - 5 PK sebanyak 6.898 unit *Airco Saver*. Perangkat *Airco Saver* ini adalah perangkat yang mampu memberikan nilai *saving* rata rata sebesar 20% terhadap konsumsi listrik pada perangkat pengkondisi udara (AC) dengan penghematan secara total ada perangkat AC di Gedung Telkom sebesar 623.352 kwh per tahun atau setara dengan mereduksi 554.783 kg CO₂ dalam setahun; (G4-EN6, G4-EN19)

2. Office Building Energy Efficiency [G4-EN6]

We are working to improve the efficiency of electrical energy use through improvement of energy supply systems in the office buildings under our management. Various strategic steps that we have taken, include:

- the use of capacitor banks to improve power factor, to comply with the KVAR limitation provisions set by PLN, and to reduce the wasteful use of electricity due to the magnitude of capacitive loads. Following the successful trial use of *Top Saver 2000*, we intensified its use in non-inverter devices to suppress the loss of the use of electric current;
- installation of 6mm thick reflective glass (reflective glass) to reduce heat from entering, ensuring a more efficient use of the air conditioning;
- replacement of fluorescent lamp lighting with LED lights to save energy and to become more environmentally friendly. This replacement reduced the electricity used for lighting by 90%. We have also applied a zoning method and the use of timers for lighting;
- in the field of room refrigeration (VAC) we optimize temperature through the use of AC inverters and/ or the use of *Airco Saver* for AC units that have yet to have air-inverters. In addition, in replacing the chiller, a VAC device, we have chosen chillers with the best operational conditions (COP), or with the lowest KW/TR.

We have installed as many as 6898 *Airco Saver* units in air conditioners (AC) with 2 PK - 5 PK capacities. The *Airco Saver* is a device that is capable of saving an average of 20% of the electricity consumed in the air conditioners (AC) with a total savings in Telkom Buildings at 623,352 kwh per year, equivalent to reducing 554,783 kg of CO₂ per year; (G4-EN6, G4-EN19)

- penerapan jadwal pengoperasian penerangan maupun perangkat otomatis guna menekan pemborosan pemakaian listrik secara ketat dan tepat, tanpa mengganggu kenyamanan dan keamanan penghuni gedung;
- Sistem Elevator, mengganti dari sistem gear menjadi gearless dengan VSVF (*variable speed variable frequency*), sehingga penggunaan oli tidak lagi diperlukan;
- pelaksanaan sosialisasi berkelanjutan dan berkesinambungan kepada seluruh penghuni gedung mengenai penghematan energi, termasuk penempatan papan peringatan dan stiker di berbagai lokasi yang strategis guna mengingatkan karyawan untuk menghemat listrik dan air;
- pemanfaatan skema *zoning lighting* untuk meningkatkan pemanfaatan energi secara tepat guna, yakni dengan membedakan area penyalaaan lighting berkebutuhan sehingga mampu menghemat energi;
- pemasangan alat pengatur waktu (*timer*) pada penerangan di luar gedung.

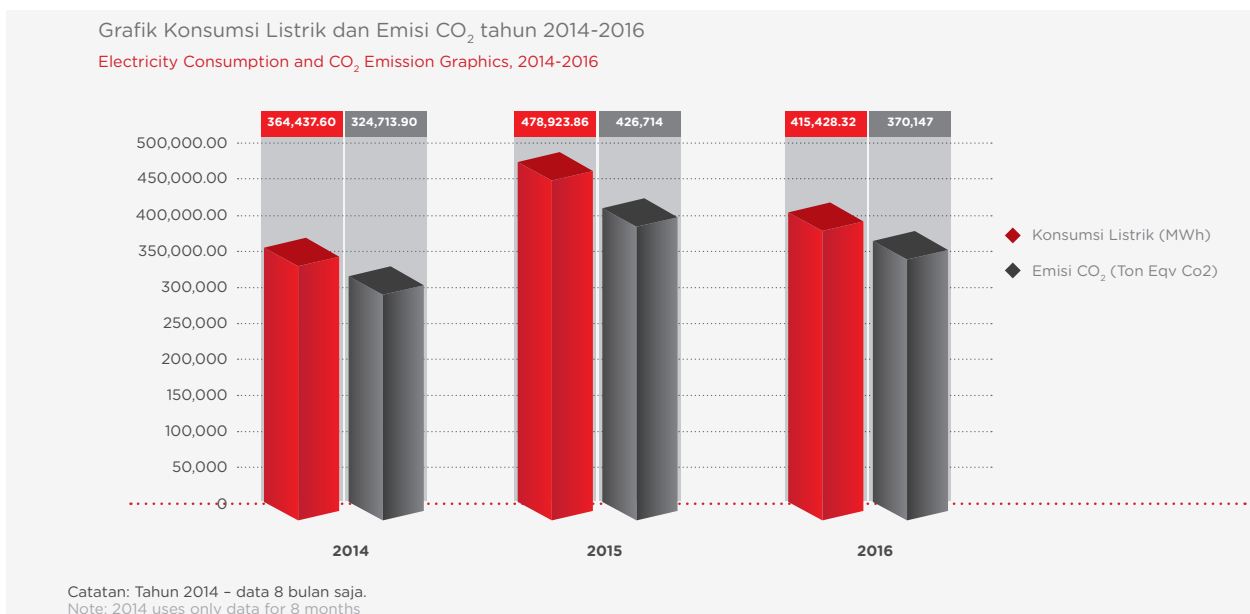
Implementasi inisiatif penghematan energi dan efisiensi energi gedung perkantoran tersebut membuat total penggunaan listrik berkurang, dari 478.923,86 Mwh ditahun 2015 menjadi sebesar 415.428,32 Mwh di tahun 2016, yang berarti juga mengurangi emisi CO₂ dari 426.714 Ton Eq CO₂, menjadi 370.147 ton eq CO₂ seperti ditunjukkan pada Grafik berikut.

- the implementation of lighting operation schedules for the operation of lighting and automated devices in order to reduce waste of electricity consumption in a strict and precise manner, without disturbing the comfort and safety of building occupants;
- the Elevator Systems, turning them into a gearless system with VSVF (variable speed variable frequency), so that the use of oil is no longer necessary;
- the implementation of sustainable and continuous dissemination to all building occupants regarding saving energy, including the placement of warning signs and stickers in various strategic locations to remind employees to save electricity and water;
- the use of lighting zoning schemes to improve energy utilization, namely by differentiating the areas of lighting needs, so as to save energy;
- installation of a timing device (timer) for lighting outside of the buildings.

Implementation of energy-saving initiatives and energy efficiency of the office buildings resulted in a total reduction of electricity use, from 478,923.86 Mwh in 2015 to 415,428.32 Mwh in 2016, which also means that CO₂ emissions has been reduced from 426,714 tons of CO₂ Eq, to 370,147 tons of CO₂ eq as shown in the following graph.

Grafik Konsumsi Listrik dan Emisi CO₂ tahun 2014-2016

Electricity Consumption and CO₂ Emission Graphics, 2014-2016



3. Pemakaian Energi Terbarukan

Kami juga telah melakukan upaya mitigasi emisi karbon secara signifikan melalui pelaksanaan perubahan pola konsumsi energi dari energi tak terbarukan ke energi terbarukan, seperti penggunaan energi angin dan energi matahari.

Kami telah mengoperasikan ribuan BTS ramah lingkungan yang bersifat *low power consumption* dan digerakan dengan menggunakan energi terbarukan yakni sel tenaga matahari dan mikrohidro. Emisi karbon yang dapat dikurangi dapat mencapai 961,39 ton ekuivalen CO₂ per tahun.

Kami juga memanfaatkan pembangkit listrik hybrid yang menggabungkan penggunaan genset, sel surya (*solar cell*) dan tenaga angin (*wind power*) pada instalasi BTS di kawasan terpencil, yang memiliki potensi angin dan cahaya matahari memadai. Konfigurasi penggunaan energi terbarukan berupa pembangkit listrik *hybrid* dimaksud menghemat konsumsi BBM hingga 98%, sementara 2% BBM masih diperlukan untuk keperluan pemeliharaan genset.

4. Konsep Kantor tanpa Kertas

Kami telah menerapkan konsep ini melalui aplikasi nota dinas *online* sejak 1998 di beberapa unit dan telah diimplementasikan secara nasional. Sejak konsep ini diimplementasikan, manajemen telah menerapkan kebijakan pemotongan anggaran pembelian kertas secara signifikan.

Seluruh unit kami telah menggunakan aplikasi nota dinas online untuk pengiriman nota dinas di lingkup internal. Selama tahun 2016, surat nota dinas yang dibuat oleh seluruh unit melalui aplikasi nota dinas online berjumlah 281.236 (2015: 294,563) buah. Dengan asumsi rata-rata satu nota dinas terdiri dari 2 (dua) lembar dan ditujukan kepada 3 (tiga) orang penerima dan selanjutnya masing masing diteruskan kepada 3 (tiga) orang, maka dengan menggunakan aplikasi nota dinas *online* kami telah menghemat kertas sebanyak 10.124 (2015: 10,604) rim kertas.

Kami juga mendukung upaya pelanggan dalam menerapkan konsep tersebut, antara lain dalam hal penerbitan surat tagihan elektronik, pembayaran tagihan secara terpusat melalui teller, Anjungan Tunai Mandiri (ATM), *phone banking*, *internet banking*, *mobile banking* dan *auto debit*, *e-mobile*, dan sejenisnya dengan mengembangkan paket-paket aplikasi berbasis teknologi informasi yang handal.

3. Use of Renewable Energy

We have conducted efforts to mitigate carbon emissions significantly through the implementation of changes in the consumption patterns of energy from non-renewable energy to renewable energy, such as the use of wind energy and solar energy.

We have operated thousands of environmentally friendly base tower stations having low power consumption and operated by using renewable energy, namely solar cells and micro hydro. The carbon emissions that can be reduced reaches 961.39 tons of CO₂ equivalent per year.

We also utilize hybrid power plants that combine the use of generators, solar cells and wind power at BTS installations in remote areas, which have adequate wind and sunlight potential. Such renewable energy configuration has saved fuel consumption by up to 98%, while 2% of fuel is still required by generators for maintenance purposes.

4. The Paperless Office Concept

We have applied this concept through online memo applications since 1998 in several units, which have been implemented nationally. Since this concept was implemented, management has significantly cut budgets for paper.

All of our units are now using the online memo application for internal communications. In 2016, 281,236 online memos (2015: 294.563) were made by all units via the online memo application. Assuming that an average memo consist of 2 (two) pages and addressed to 3 (three) recipients and then each of them is forwarded to 3 (three) people, then by using the online memo application, we have saved paper as much as 10,124 reams of paper (2015: 10.604).

We also support customer efforts in implementing these concepts, among others, relating to the issuance of electronic bills, bill payments centrally through tellers, Automated Teller Machines (ATM), *phone banking*, *internet banking*, *mobile banking* and *auto debit*, *e-mobile*, and other similar methods, by developing reliable information technology based packages.

5. Pengelolaan Sampah dan Limbah Bahan Berbahaya dan Beracun (B3)

Sebagai bagian dari upaya mitigasinya, kami menerapkan kebijakan pemilahan limbah kedalam 3 kelompok besar, yakni: limbah organik, limbah non-organik dan Limbah B3.

Pengelolaan limbah organik dan non-organik dari kegiatan operasional kami lakukan melalui kerja sama dengan Dinas Kebersihan setempat.

Sementara sampah yang termasuk kedalam kelompok B3 pengelolannya dilakukan oleh pihak ketiga yang berwenang menangani sampah limbah dimaksud. Pada limbah lampu merkuri, yang termasuk limbah B3, kami menyerahkan pengelolannya kepada produsen merk Philips dan Osram, mengingat kedua perusahaan tersebut memiliki fasilitas pengelolaan limbah merkuri.

6. Pengelolaan dan Pemakaian Air Daur Ulang

Kami memiliki komitmen yang tinggi untuk bertanggung jawab atas pengelolaan dan pemakaian air. Untuk menekan penggunaan air, kami menerapkan kebijakan penghematan melalui kampanye hemat air dan memasang kran-kran otomatis. Hasilnya, konsumsi air kami semakin berkurang.

Kami hanya menggunakan air untuk mendukung operasional gedung dan untuk memenuhi kebutuhan minum karyawan yang mayoritas dipasok oleh Perusahaan Daerah Air Minum (PDAM).

Selain itu, dalam rangka mendukung konservasi sumber air, kami telah melaksanakan langkah strategis dalam pengelolaan air dengan pemasangan biopori dan penampung air di sekeliling gedung kantor untuk menampung air hujan serta melakukan proses daur ulang air yang secara sederhana dilakukan dengan menggunakan filtrasi berbasis arang. Air hasil air daur ulang kemudian kami gunakan untuk mencuci kendaraan operasional dan menyiram tanaman di halaman kantor.

5. Management of Waste and Hazardous and Toxic Waste

As part of our mitigation efforts, we have applied a policy of waste separation into three major groups, namely: organic waste, non-organic waste and hazardous and toxic waste.

We conduct the management of organic waste and non-organic waste in cooperation with the local Sanitation Department.

While garbage is included into the B3 group, managed by an authorized third party to handle such waste. We hand over mercury lamp waste, which constitutes B3 waste, to their brand manufacturers, Philips and Osram, given that those two companies have mercury waste management facilities.

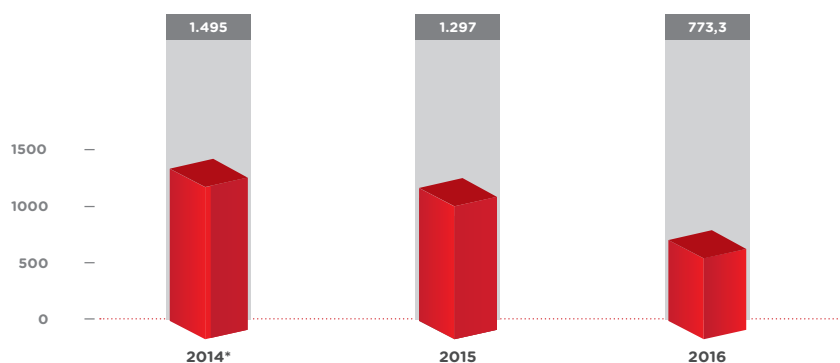
6. Management and Use of Recycled Water

We have a strong commitment to be responsible for the management and use of water. To suppress the use of water, we have implemented austerity policies through “save the water” campaigns and have also installed automatic water-saving faucet. As a result, our water consumption has decreased.

We only use water to support building operations and to meet the needs of employees, the majority of which is supplied by the Regional Water Company (PDAM).

In addition, in order to support the conservation of water resources, we have implemented strategic measures regarding water management with the installation of *biopori* and water containers around our office buildings to collect rain water and to conduct water recycling in a simple manner using charcoal-based filtration. We then use the recycled water for washing operational vehicles and watering plants.

Grafik Penggunaan Air (m³)
Water Usage Graph (m³)



* 2014: data 8 bulan saja/8 months of data only

EVALUASI IMPLEMENTASI PROGRAM TELKOM GO GREEN

Kami menerapkan dua pendekatan internal dalam mengevaluasi hasil penerapan Program Telkom Go Green, yakni Indeks ESG *Effort* dan PEER (Pantauan).

• ESG Effort

Pengukuran ESG melalui *desk-calculation* berdasarkan uji coba, *manual equipment* dan validasi secara sampling, dengan satuan watt yang kemudian disetarakan ke CO₂ dengan pengalihan 0,89 kg CO₂ = 1 KWH. Pengukuran ESG *Effort* untuk *green effort* pada penggunaan gas-gas yang tidak ramah lingkungan menjadi yang ramah lingkungan kami masih melakukan kalkulasi pada program MSRP dan MSAP tersebut diatas. Untuk pertumbuhan KDH (koefisien dasar hijau) kami belum melakukan kalkulasi.

• PEER (pantauan)

Sedangkan untuk pembuktian dari pengukuran ESG melalui *desk-calculation* tersebut, kami memantau langsung secara bulanan dari penurunan konsumsi energi langsung (PLN), kegiatan ini merupakan bagian dari Program MSLA. Evaluasi penurunan penggunaan bahan-bahan tidak ramah lingkungan, dihitung dari program penggantian gas yang saat ini sedang dimulai.

Telkom, melalui Telkom Property, turut bergabung kedalam beberapa organisasi yang mendukung ESG, yaitu :

- Anggota dari GBCI *Green Building Council Indonesia*.
- Anggota dari MASKEEI - Masyarakat Konservasi dan Efisiensi Energi Indonesia atau IECES (*Indonesia Energy Conservation and Efficiency Society*).

PENINGKATAN BUDAYA SEHAT DAN RAMAH LINGKUNGAN

Kami berupaya melakukan edukasi terhadap karyawan internal maupun masyarakat luas untuk terbiasa menjalankan pola hidup yang sehat dan ramah lingkungan. Beberapa aktifitas edukasi tersebut dilakukan melalui *sponsorship* terhadap event kegiatan yang diorganisir oleh pihak ketiga maupun diorganisir langsung oleh Telkom.

1. Bike to Work

Dalam rangka hidup sehat dan sekaligus memitigasi emisi karbon, Telkom menghimbau karyawan untuk bersepeda ke kantor setiap hari Jumat. Himbauan ini dikeluarkan pada tahun 2009, pelaksanaannya diikuti dengan baik oleh sebagian besar karyawan hingga saat ini. Telkom mengharapkan hal ini akan menjadi kebiasaan yang merupakan bagian dari gerakan nasional "*Bike to Work*" dan membudaya di kalangan karyawan.

TELKOM GO GREEN EVALUATION PROGRAM

We have implemented two internal approaches in evaluating the results of the Telkom Go Green Program, the ESG Index *Effort* and PEER (observation).

• ESG Efforts

ESG measurement using *desk-calculation* based on testing, manual equipment and validation sampling, using watt as a unit which is then converted to CO₂ by multiplying 0.89 kg CO₂ = 1 KWH. ESG measurement efforts for green efforts on the use of gases that are not environmentally friendly into eco-friendly we are still calculating the MSRP and MSAP program mentioned above. We have not done the calculations for the growth of KDH (green base coefficient).

• PEER (monitoring)

As for the verification of ESG measurement through *desk-calculation*, we monitor it on a monthly basis directly from the reduction in direct energy consumption (PLN), this activity is part of our MSLA Program. Evaluation on the decrease in the use of materials that not environmentally friendly, is calculated from the gas replacement program which is currently underway.

Telkom, through Telkom Property, has joined several organizations that support ESG, namely:

- Member of the Green Building Council of Indonesia (GBCI).
- Member of MASKEEI - Community Conservation and Energy Efficiency or IECES Indonesia (Indonesia Energy Conservation and Efficiency Society).

IMPROVEMENT OF HEALTHY AND ENVIRONMENTALLY FRIENDLY CULTURE

We seek to educate internal employees and the wider community to get used to living a healthy and environmentally friendly lifestyle. Several of those educational activities are conducted through our *sponsorship* of activities organized by third parties or organized directly by Telkom.

1. Bike to Work

In order to live healthy and mitigate carbon emissions at the same time, Telkom urges employees to bike to work every Friday. This initiative was issued in 2009, its implementation is well followed by most employees today. Telkom expects that it will become a habit that is part of the national "*Bike to Work*" movement and entrenched among employees.

2. Earth Hour

Telkom secara rutin berpartisipasi dalam kegiatan “Earth Hour” yang digalakkan oleh WWF setiap tahun, dengan tujuan melestarikan lingkungan hidup dengan mengurangi konsumsi energi listrik. Kegiatan ini dilakukan dengan melakukan pemadaman listrik selama 1 jam pada hari Sabtu, minggu ke-4 bulan Maret setiap tahun pada pukul 20.30-21.30.

MENDUKUNG KEGIATAN EKONOMI YANG RAMAH LINGKUNGAN

Sebagai respon akan tuntutan pasar bagi ketersediaan paket-paket produk, konten dan layanan jasa berbasis teknologi informasi yang mampu mendukung kegiatan ekonomi ramah lingkungan, kamiterus memperbesar kapasitas *bandwidth* dan meningkatkan kualitas layanan dengan memperluas cakupan jaringan layanan berbasis teknologi 4G. Upaya ini kami lakukan guna mendukung kecepatan transmisi layanan internet, baik dalam format Wi-Fi maupun *fixed wireless*.

Keberhasilan aplikasi operasi bisnis di level internal seperti penerapan *paperless office*, *teleconference*, maupun operasi bisnis dengan dukungan fasilitas *online* lainnya, kemudian dikembangkan menjadi paket-paket produk berbasis teknologi informasi kepada pelanggan korporasi, baik dalam skala kecil maupun skala besar.

Berbagai dukungan paket-paket produk, konten dan layanan sesuai portofolio bisnis TIMES yang terus dikembangkan telah membuat konsep *paperless office* semakin mendapat sambutan untuk diterapkan para pelanggan korporasi, baik perusahaan-perusahaan berskala kecil maupun besar, termasuk instansi Pemerintah. Pelanggan yang bergerak di sektor perbankan kini semakin intens menerapkan konsep *paperless office* melalui pemanfaatan berbagai aplikasi yang lazim dilaksanakan melalui saluran *online*, seperti pengiriman tagihan kartu kredit, tagihan telepon, tagihan listrik, informasi rekening dan sejenisnya.

Kami terus mendukung berkembangnya konsep *Small Office Home Office* (SOHO) yang memadukan kegiatan bisnis dari tempat tinggal yang juga difungsikan sebagai kantor operasional, sehingga mengurangi intensitas kegiatan transportasi. Untuk mendukung perkembangan konsep kegiatan ekonomi yang semakin ramah lingkungan tersebut, Telkom mengembangkan berbagai konten aplikasi yang memungkinkan pelaksanaan kegiatan komunikasi, pemesanan dan administrasi secara *online* sehingga kegiatan operasional yang dilakukan kian efisien

2. Earth Hour

Telkom regularly participates in the “Earth Hour” which is promoted by WWF every year, with the aim of preserving the environment by reducing the consumption of electricity. This activity is carried out by a one hour power outage on Saturday, the 4th week of March each year from 20:30 to 21:30.

SUPPORTING ENVIRONMENTALLY-FRIENDLY ECONOMIC ACTIVITIES

In response to the market demand for the availability of information technology-based packages of products, content and services that is capable of supporting environmentally friendly economic activities, we continue to expand our bandwidth capacity and improve the quality of our services by expanding the network coverage of 4G technology-based services. We conduct this effort to support the transmission speed of our internet services, both in the form of Wi-Fi and fixed wireless.

The successful business operations applications at the internal level, such as the implementation of the paperless office, teleconferences, as well as business operations with the support of other online facilities, is then developed into packets of information technology-based products to corporate customers, both small scale and large scale.

The various support packages of products, content and services in accordance with the TIMES business portfolio are constantly being developed has made the concept of the paperless office gain acclaim, applied by corporate customers, both companies small and large scale, including government agencies. Customers engaged in the banking sector is increasingly implementing the concept of the paperless office through the use of various applications that are commonly implemented via online channels, such as credit card billing, phone billing, electricity billing, account information, and the like.

We continue to support the development of the Small Office Home Office (SOHO) concept, which combines business activities conducted from homes that also functions as office operations, thus reducing the intensity of transport activities. To support the development of the abovementioned environmentally friendly economic activities, Telkom has developed a variety of application contents that enables the implementation of communication activities, online ordering and administration so that the operations performed becomes increasingly efficient.

PARTISIPASI PADA BERBAGAI KEGIATAN PENGHIJAUAN

PARTICIPATION IN VARIOUS REFORESTATION ACTIVITIES



Salah satu program yang kami lakukan dalam kaitan ini adalah melakukan usaha penanaman pohon bersama-sama dengan berbagai komunitas, mengingat fungsi pohon yang sangat penting dalam menyerap dan menyeimbangkan kelebihan emisi gas CO₂ di atmosfer melalui proses fotosintesis. Selain berfungsi sebagai penyerap emisi gas CO₂ keberadaan pohon juga sangat vital dalam meningkatkan kemampuan lahan-lahan penghijauan sebagai daerah resapan air.

Berbagai kegiatan partisipasi tersebut direalisasikan melalui kegiatan pengembangan komunitas, sebagai bagian dari pelaksanaan Program Bina Lingkungan maupun kegiatan tanggung jawab sosial perusahaan di bidang lingkungan.

Pada lingkungan sekitar kantor-kantor Telkom Group, program penghijauan terus dilakukan dengan target, tidak ada halaman pada gedung yang kami kelola yang tidak hijau. Kami berupaya dalam pemenuhan KDH (koefisien dasar hijau) bangunan sesuai dengan ketentuan pemerintah.

One of the programs that we do in this regard is to conduct tree planting ventures together with various communities, given the very important function of trees as absorbers and balancers of excess of CO₂ emissions in the atmosphere through photosynthesis. In addition to functioning as an absorber of CO₂ emissions, trees are also very vital in improving the capacity of afforestation lands as water retention areas.

Various activities are realized through the participation of community development activities, as part of the implementation of the Community Development Program and the activities of corporate social responsibility in the environmental field.

In the Telkom Group's neighborhood offices, a reforestation program continues with the target of not having non-green areas in buildings that we manage. We are working to fulfill the green base coefficient for buildings in accordance with government regulations.

BIAYA PARTISIPASI PADA KEGIATAN DI BIDANG LINGKUNGAN

Kami turut berpartisipasi pada pelestarian lingkungan sebagai wujud komitmen perusahaan terhadap upaya rehabilitasi lingkungan yang disalurkan dalam bentuk:

- revitalisasi taman-taman, penghijauan jalan *pedestrian* dan penghijauan sarana publik lainnya;
- penyuluhan dan realisasi program penghijauan di seluruh kantor cabang dan lingkungan sekitarnya;
- penyelenggaraan gerakan penghijuan dalam rangka Bina Lingkungan.

PENGHARGAAN

Berbagai upaya pengelolaan properti ramah lingkungan yang dilakukan Telkom mendapatkan berbagai penghargaan terkait, seperti:

- Penghargaan Efisiensi Energi Nasional - 2016 dari Kementerian ESDM untuk:
 - o Kategori A - Sub Kategori Gedung Baru - Gedung Telkomsel Grapari Gorontalo.
 - o Kategori B - Sub Kategori Bangunan Kecil dan Menengah - Gedung Telkom Cibinong dan Gedung Regional VII Telkom Makasar.
 - Sub Kategori Bangunan Besar - Graha Merah Putih Telkom Bandung.
- *Asean Energy Award* 2015
 - o *Small & Medium Building Category*, sebagai Runner 1 - Graha Telkom BSD, Indonesia. Runner 2 - Graha Indonesia Wi-Fi, Indonesia.

PARTICIPATION COST IN ENVIRONMENTAL ACTIVITIES

We participated in environmental protection as a reflection of the company's commitment to environmental rehabilitation efforts, disbursed in the form of:

- revitalization of parks, pedestrian sidewalk tree-planting and the reforestation of other public facilities;
- counseling and realization of reforestation programs in all branch offices and the surrounding environment;
- implementation of the reforestation movement in the framework of Community Development.

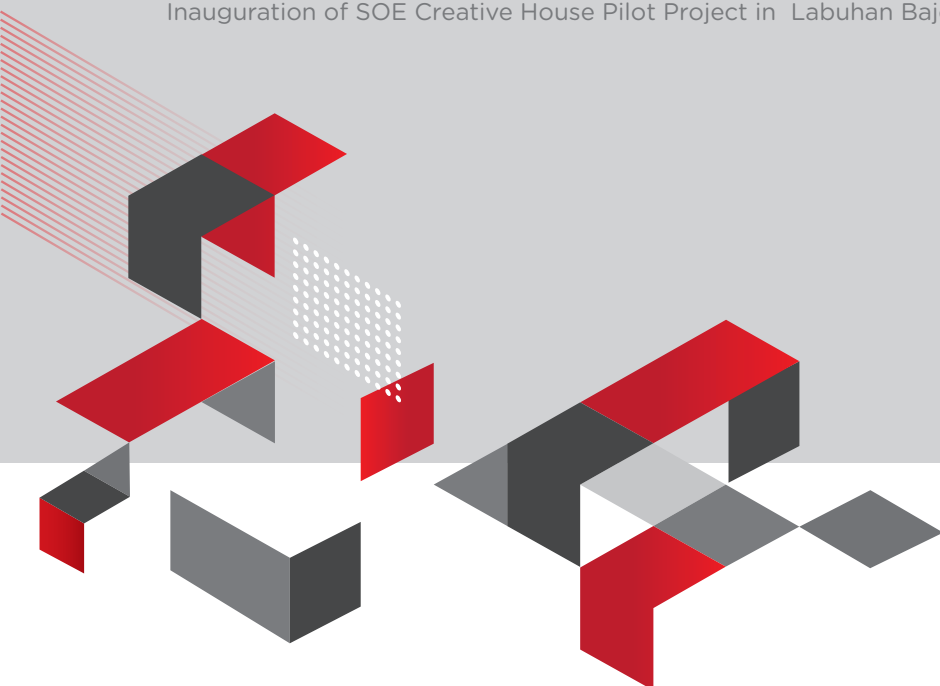
AWARDS

For the curious eco-friendly property management efforts that it has undertaken, Telkom has won several related awards, such as:

- The National Energy Efficiency Award - 2016 from the Ministry of Energy for:
 - o Category A - Sub Category: New Building - The Telkomsel Grapari Gorontalo Building.
 - o Category B - Sub Category Small and Medium Enterprises Building - The Telkom Cibinong Building and Telkom VII Regional Building in Makasar.
 - Sub Category Large Building - Graha Merah Putih Telkom Bandung.
- The 2015 Asean Energy Award
 - o Small & Medium Building Category, as First Runner-up - Graha Telkom BSD, Indonesia. Second Runner-up - Graha Indonesia Wi-Fi, Indonesia.



Peresmian pilot project rumah kreatif bumn di labuan bajo, nusa tenggara barat
Inauguration of SOE Creative House Pilot Project in Labuhan Bajo, West Nusa Tenggara







TATA KELOLA KEBERLANJUTAN TELKOM

TELKOM SUSTAINABLE CORPORATE GOVERNANCE

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TATA KELOLA KEBERLANJUTAN TELKOM TELKOM SUSTAINABLE GOVERNANCE



“

“Sebagai bentuk komitmen kuat untuk menerapkan praktek terbaik tata kelola perusahaan kami akan terus merealisasikan beragam program perbaikan kualitas implementasi tata kelola perusahaan guna memastikan pencapaian tujuan pengembangan perusahaan yang berkelanjutan.”

“As a strong commitment to implement the best practices of corporate governance, we will continue to realize a variety of quality improvement program of the implementation of corporate governance in order to ensure the achievement of the objectives of the company’s sustainable development”.

Periode	Aktivitas
2015	<ul style="list-style-type: none"> • Penajaman kebijakan Etika Bisnis yang mencakup Telkom Group. <i>The sharpening of Business Ethics policy which includes Telkom Group.</i> • Pencanangan Tahun Budaya. <i>The Declaration of the Year of Culture.</i> • Penguatan organ tata kelola melalui pelaksanaan assessment GCG untuk entitas anak. <i>The strengthening of governance organs through the implementation of GCG assessment for subsidiary entities.</i> • Penguatan proses tata kelola untuk memastikan sertifikasi/surveillance ISO. <i>The strengthening of governance process to ensure ISO certification/surveillance.</i>
2016	<ul style="list-style-type: none"> • Implementasi "Role Model GCG". <i>The Implementation of "Role Model GCG".</i>
2017	<ul style="list-style-type: none"> • Meningkatkan "GCG Framework", menyesuaikan dengan regulasi atau ketentuan di tataran nasional maupun best practice international. <i>Improving the "GCG Framework", to comply with the national laws and regulations and international best practices.</i>

Kami berkomitmen kuat untuk mengambil bagian dalam mencapai tujuan pembangunan berkelanjutan sebagaimana ditetapkan dalam konsep *Sustainable Developments Goals* (SDG), dengan mengedepankan penerapan praktek terbaik tata kelola perusahaan. Oleh karenanya Kami akan terus merealisasikan beragam program perbaikan implementasi tata kelola perusahaan guna menunjang tercapainya tujuan perusahaan melalui pencapaian hasil-hasil terbaik dari penerapan *best practices Good Corporate Governance* (GCG).

Kami berupaya mencapai tujuan tersebut dengan secara konsekuen menerapkan lima prinsip dasar GCG, yakni: Transparansi, Akuntabilitas, Responsibilitas, Independensi dan *Fairness*. Komitmen kami untuk menerapkan praktek terbaik tata kelola Kami tunjukkan melalui Surat Keputusan Direksi tentang Pedoman GCG No.29/2007 dan Pedoman GCG Group No.602/2011.

Sebagai wujud komitmen tersebut, Kami senantiasa mematuhi seluruh peraturan perundang-undangan yang berlaku di Indonesia, Pedoman Umum *Good Corporate Governance* Indonesia yang dikeluarkan Komite Nasional Kebijakan Governance ("KNKG") dan Pedoman Tata Kelola Perusahaan Terbuka dari Otoritas Jasa Keuangan (OJK), juga mematuhi *Sarbanes Oxley Act* ("SOA") tahun 2002 serta peraturan SEC lainnya dalam menerapkan GCG, mengingat Kami tercatat sebagai emiten di BEI dan NYSE.

Kami telah membangun kerangka GCG dan *Road map* GCG berdasarkan 4 (empat) pilar utama, yakni:

- Pelaksanaan etika bisnis;
- Pengelolaan kebijakan dan prosedur operasional yang efektif sesuai dengan tuntutan bisnis;
- Penerapan manajemen risiko secara terpadu berbasis COSO *Enterprises Risk Management*; dan
- Pengawasan internal dan penerapan pengendalian *internal* berbasis COSO *Internal Control*.

Kerangka Kerja GCG Telkom adalah sebagai berikut:

We are strongly committed to take part in achieving the sustainable development goals as set out in the concept of Sustainable Developments Goals (SDG), by promoting the implementation of best practices of corporate governance. Therefore, we will continue to realize a variety of programs to improve the implementation of corporate governance in order to support the achievement of corporate objectives through the achievement of the best results from the application of the best practices of good corporate governance (GCG).

We seek to achieve this objective by consequently applying the five basic principles of good corporate governance, namely: Transparency, Accountability, Responsibility, Independence and Fairness. Our commitment to implement best practices of corporate governance is shown through a Decree of the Board of Directors on the Code of the Good Corporate Governance No.29/2007 and on the Code of the Good Corporate Governance Group No.602/2011.

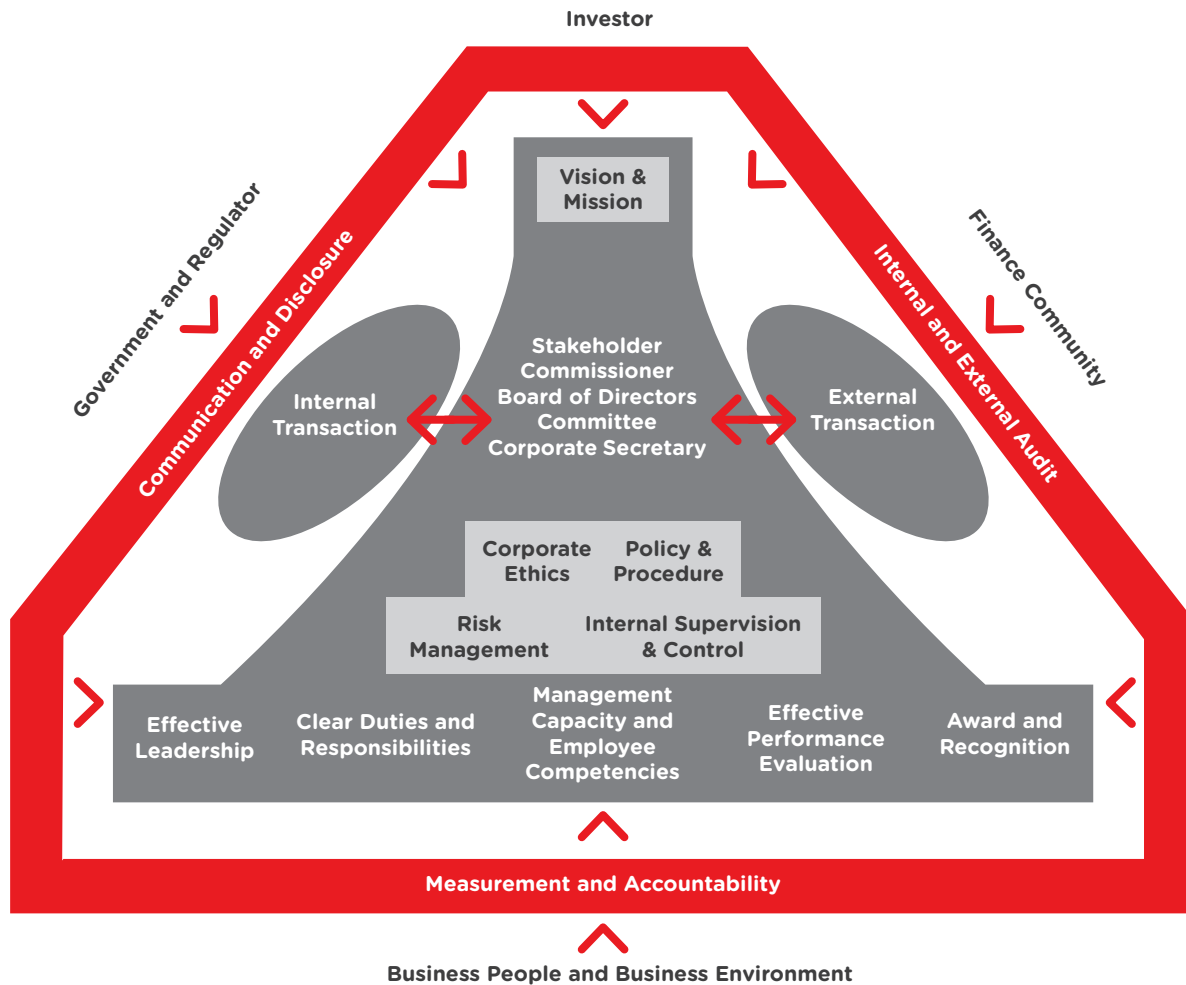
As a reflection of that commitment, we continue to comply with all national laws and regulations in Indonesia, Code of the Good Corporate Governance Indonesia that was issued by the National Committee on Governance Policy ("KNKG") and the Code of Open Corporate Governance from the Financial Services Authority ("OJK"), as well as the Sarbanes Oxley Act ("SOA") 2002 and other SEC regulations in implementing Good Corporate Governance, considering we are registered as an issuer in the IDX and the NYSE.

We have established a framework and road map of the Good Corporate Governance based on four (4) main pillars, namely:

- Implementation of corporate ethics;
- Effective management of operational policies and procedures in accordance with business demands;
- Integrated implementation of risk management based on COSO *Enterprises Risk Management*; and
- Internal supervision and the implementation of internal control based on COSO *Internal Control*.

Telkom Good Corporate Governance Framework is as follows:

Framework of The Good Corporate Governance



Kami memperbaiki kebijakan dan infrastruktur sistem pendukung GCG melalui inisiatif-inisiatif baru guna memperkuat kualitas penerapan praktek tata kelola kedalam Tiga Pilar Utama, meliputi:

1. Penguatan Struktur Tata Kelola.
2. Penguatan Proses Tata Kelola.
3. Penguatan Budaya.

Ketiga pilar tersebut bermuara pada bertambahnya satu elemen penting dalam penerapan lima prinsip dasar GCG, yakni, **integritas**.

PEDOMAN, STRUKTUR DAN MEKANISME TATA KELOLA [G4-34]

Dalam rangka meningkatkan kualitas penerapan praktek terbaik GCG, Kami telah melengkapi seluruh pranata dasar yang diperlukan, meliputi:

- Pedoman GCG.
- *BOD Charter* dan *Charter* Dewan Komisaris.
- Komite *Charter*.
- Pedoman Perilaku.
- Kebijakan Teknis Operasional.

We improve the policy and infrastructure support system of the Good Corporate Governance through new initiatives to strengthen the quality of the application of governance practices into the Three Main Pillars, including:

1. Corporate Governance Structure Strengthening.
2. Governance Process Strengthening.
3. Culture Strengthening.

These three pillars lead to the addition of another important element in the application of the five basic principles of Good Corporate Governance, namely, **integrity**.

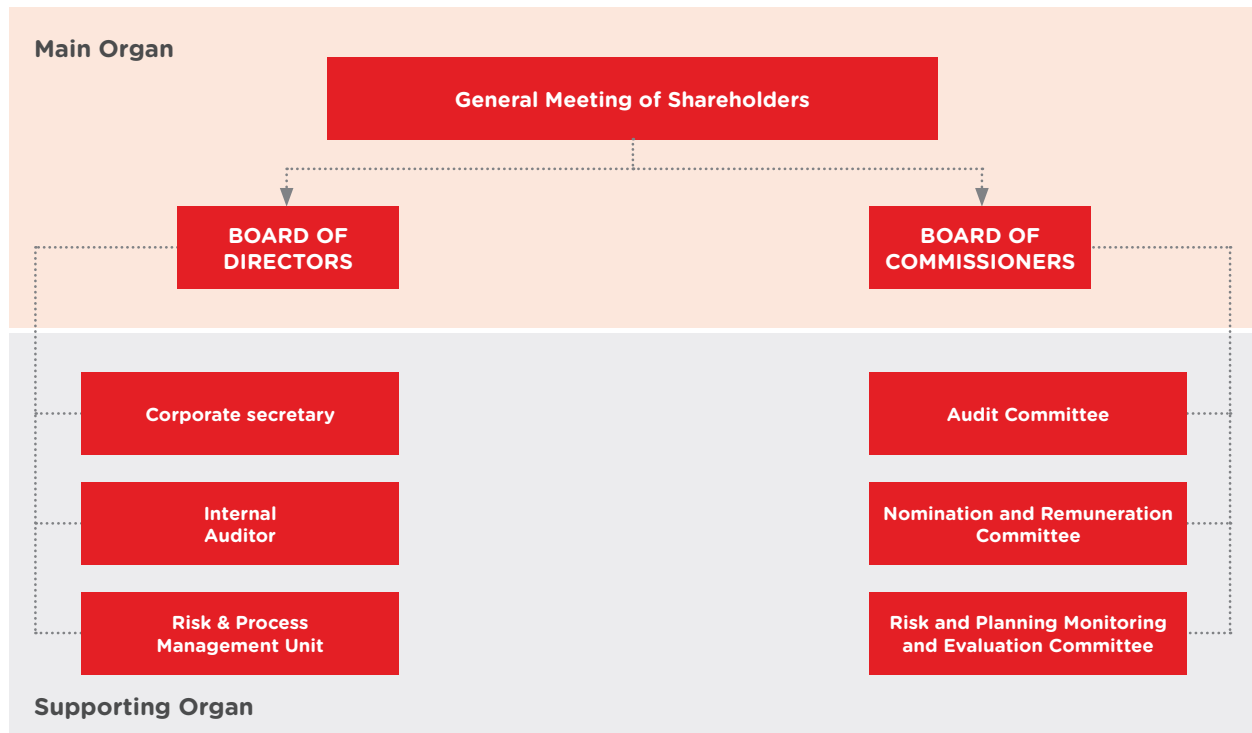
CODE, STRUCTURE AND MECHANISM OF GOVERNANCE [G4-34]

In order to improve the quality of best practices of Good Corporate Governance implementation, we have completed all necessary basic regulations, including:

- Code of the Good Corporate Governance.
- BOD Charter and the Charter of the Board of Commissioners.
- Charter Committee.
- Code of Conduct.
- Operational Technical Policy.

Bagan struktur interaksi ringkas yang menggambarkan peran dari masing-masing organ perusahaan adalah sebagai berikut.

A simple interaction structure chart that describes the role of each organ of the company is as follows.



RAPAT UMUM PEMEGANG SAHAM [G4-34]

Rapat Umum Pemegang Saham (RUPS) merupakan lembaga tertinggi dalam hierarki tata kelola Telkom, terdiri atas Rapat Umum Pemegang Saham Tahunan (RUPST) dan Rapat Umum Pemegang Saham Luar Biasa (RUPSLB), merupakan forum pemegang saham untuk mengambil keputusan penting yang berkaitan dan didasarkan pada kepentingan usaha Perseroan. Dalam RUPST dan RUPSLB pemegang saham berhak memperoleh perlakuan yang sama dan kedudukan yang seimbang.

GENERAL MEETING OF SHAREHOLDERS [G4-34]

General Meeting of Shareholders (GMS) is the highest body in the hierarchy of Telkom governance, consisting of the Annual General Meeting of Shareholders (“AGM”) and the Extraordinary General Meeting of Shareholders (“EGM”), as well as a forum of shareholders to make important decisions related to and based on the business interests of the Company. In the AGM and EGM, shareholders are entitled to receive the same treatment and balanced position.

Melalui RUPS, Kami mengevaluasi kinerja Dewan Komisaris maupun Direksi, termasuk memutuskan besaran honorarium maupun gaji beserta remunerasinya, mengusulkan serta memutuskan pergantiannya, dengan mempertimbangkan capaian *Key Performance Indicators* (KPI) Perseroan yang meliputi pencapaian kinerja dibidang ekonomi, lingkungan maupun sosial, termasuk dalam mengelola risiko dan memanfaatkan peluang usaha.

Through GMS, we evaluate the performance of the Board of Commissioners and Board of Directors, decide the amount of honorarium or salary along with their remuneration, propose and decide on the changes, while take into account the achievement of *Key Performance Indicators* (KPI) of the Company which include the performance achievement in economic, environmental and social fields, including in managing risks and taking advantage of business opportunities.



DEWAN KOMISARIS

Dewan Komisaris sebagai organ Perusahaan yaitu bertanggung jawab dalam melakukan pengawasan terhadap kebijakan pengurus Perseroan yang dilakukan Direksi, memberi nasihat dalam pengelolaan Perusahaan kepada Direksi termasuk nasihat mengenai rencana pengembangan Perusahaan, Rencana Kerja dan Anggaran Perusahaan, pelaksanaan ketentuan Anggaran Dasar dan Keputusan Rapat Umum Pemegang Saham. Dalam menjalankan tugas pengawasan dan pemberian nasihat kepada Direksi, Dewan komisaris mengacu kepada Pedoman Kerja Dewan Komisaris (*Charter* Dewan Komisaris).

Dalam menjalankan tugas pengawasan dan penasehatan terhadap kinerja Direksi, Dewan Komisaris Telkom dibantu oleh 3 (tiga) komite fungsional, yakni Komite Audit, Komite Nominasi dan Remunerasi, dan Komite Evaluasi dan Monitoring Perencanaan & Risiko ("KEMPR"), selain juga dibantu oleh Sekretaris Dewan Komisaris beserta staff untuk pelaksanaan kegiatan operasional sehari-hari.

DIREKSI

Direksi Perseroan merupakan organ perusahaan yang berwenang dan bertanggung jawab penuh atas pengelolaan sumber daya perusahaan untuk kepentingan Perseroan sesuai dengan maksud dan tujuan pendiriannya serta mewakili Perseroan baik di dalam maupun di luar pengadilan. Direksi bertugas dan bertanggungjawab secara kolegal sekalipun dapat bertindak dan mengambil keputusan sesuai dengan pembagian tugas dan wewenangnya.

Dalam menjalankan peran dan fungsi pengelolaan perusahaan serta mengelola hubungan dengan Dewan Komisaris, Direksi Telkom mengacu pada *Board Charter* Direksi, Peraturan Perusahaan yang disusun khusus untuk dijadikan pedoman bagi anggota Direksi untuk saling berinteraksi dalam mengelola perusahaan secara efisien, efektif, akuntabel dan bertanggung jawab.

Sebagai bagian dari proses pengelolaan perusahaan yang mengedepankan asas transparansi, akuntabel dan berkeadilan, kami menciptakan satu mekanisme yang memungkinkan seluruh pegawai dapat mengajukan usulan perbaikan, pendapat, maupun kritik membangun dalam rangka memperbaiki kualitas perencanaan dan kegiatan operasional yang telah dan akan dijalankan kepada Direksi melalui forum formal maupun informal.

KEBIJAKAN-KEBIJAKAN POKOK TATA KELOLA TELKOM

Berikut adalah beberapa aturan kebijakan (*soft-structure*) pokok pengelolaan perusahaan yang senantiasa dikaji secara berkala dan diimplementasikan untuk menunjang tercapainya praktik terbaik penerapan tata kelola perusahaan di Telkom.

BOARD OF COMMISSIONERS

The Board of Commissioners as the organ of the Company is responsible for supervising the management's policies conducted by the Board of Directors, advising the Board of Directors on Company's management, including the Company's development plan, Work Plan and Budget, the implementation of the provisions of the Articles of Association and the General Meeting of Shareholders. In carrying out the task of monitoring and providing advice to the Board of Directors, the Board of Commissioners refers to the Charter of the Board of Commissioners.

In carrying out the task of supervision and counseling on the performance of the Board of Directors, Telkom's Board of Commissioners is assisted by 3 (three) functional committees, namely the Audit Committee, the Nomination and Remuneration Committee and the Planning & Risk Evaluation and Monitoring Committee ("PREMC"), in addition to the Secretary of the Board of Commissioners and the staff for the implementation of the daily operational activities.

BOARD OF DIRECTORS

Directors are the organ of the company who has the authority and full responsibility for the resources management of the company, for the benefit of the company, in accordance with its purposes and objectives and to represent the Company both in and out of court. Directors are in charge and despite having a collegial responsibility it can take actions and make decisions in accordance with the division of duties and responsibilities.

In carrying out the role and functions of the management of the company as well as managing the relationship with the Board of Commissioners, Directors of Telkom refers to the Charter of Directors, the Regulation of the Company is specifically formulated to be used as guidelines for the members of the Board of Directors to interact with each other in managing the company in an efficient, effective, accountable and responsible manner.

As part of the company management process that upholds transparency, accountability and impartiality, we invented a mechanism that enable all employees to propose improvements, argue their opinions and constructive criticisms in order to improve the quality of planning and operational activities that have been and will be carried out to the Directors through formal or informal forum.

MAIN POLICIES OF TELKOM GOVERNANCE

Here are some main policy rules (*soft-structure*) in company management that are periodically reviewed and implemented to support the achievement of best practices of corporate governance implementation in Telkom.

Pengelolaan Risiko [G4-14]

Untuk menjalankan pengelolaan risiko yang berkualitas Kami telah membentuk Divisi Risk & Process Management yang di ketuai seorang Vice President, sesuai Peraturan Direksi No.202.11/r.01/HK.200/COP-J4000000/2015 tanggal 28 Januari 2015 tentang Organisasi Kantor Perusahaan TELKOM Group, sebagai upaya meningkatkan pengelolaan risiko secara terus-menerus, tepat dan komprehensif, disertai upaya mitigasi risiko yang telah diidentifikasi.

Kami telah menyusun roadmap pengelolaan risiko yang komprehensif, dimana mulai tahun 2015 menekankan pada program Peningkatan Implementasi *Business Continuity Management System* ("BCMS").

Lihat juga uraian "Pendekatan Dalam Prinsip Pencegahan", pada Bab "Tentang Telkom".

Pengawasan dan Pengendalian Internal

Secara berkala, kami evaluasi atas efektivitas pengendalian dan prosedur pengungkapan perusahaan. Kegiatan evaluasi yang kami lakukan juga memperhatikan dengan seksama ketentuan yang berlaku di NYSE sesuai ketentuan dan format *Stock Exchange Committee* (SEC), mengingat saham Telkom juga terdaftar di bursa efek dimaksud. Kegiatan evaluasi dilaksanakan di bawah pengawasan dan partisipasi manajemen termasuk Direktur Utama Perseroan atau, setara dengan *Chief Executive Officer* ("CEO") dan Direktur Keuangan, atau setara dengan *Chief Financial Officer* ("CFO"), sebagaimana didefinisikan di dalam *Rules* 13a-15(e) dan 15(d) - 15(e) dari *Exchange Act*.

Sistem Pelaporan Pelanggaran (Whistleblower System) [G4-SO4]

Kami mengembangkan dan menerapkan kebijakan sistem pelaporan pelanggaran (*Whistleblower system*) sebagai bentuk komitmen Telkom pada transparansi, akuntabilitas dan khususnya pada pencegahan tindak pidana penyalahgunaan wewenang, fraud dan korupsi. Mekanisme ini juga merupakan bagian dari upaya meningkatkan kualitas penerapan *good corporate governance* di lingkungan Telkom. Tujuan dari implementasi sistem pelaporan pelanggaran yang Kami terapkan antara lain:

1. Menciptakan iklim kerja yang kondusif.
2. Transparansi dalam pelaksanaan kegiatan tender.
3. Meningkatkan kualitas pengelolaan keuangan.
4. Pencegahan terjadinya pelanggaran yang dapat menimbulkan kerugian finansial maupun non finansial yang dapat merusak citra Telkom.

Pelaporan pelanggaran dapat disampaikan kepada Komisaris Utama atau kepada Ketua Komite Audit Telkom melalui *e-mail*, fax atau surat ke alamat yang

Risk Management [G4-14]

To run a quality risk management we have established the Division of Risk & Process Management that is chaired by a Vice President, pursuant to the Regulation of Directors No.202.11/r.01/HK.200/COP-J4000000/2015 dated January 28, 2015 on the Organization of Telkom Corporate Office Group, as an effort to continuously, accurately and comprehensively improve risk management, accompanied by risk mitigation measures that have been previously identified.

We have compiled a comprehensive risk management roadmap, which since 2015 puts an emphasis on the program of improving the implementation of *Business Continuity Management System* ("BCMS").

See also the description under "Approach to the Precautionary Principle", in the chapter "About Telkom".

Internal Supervision and Control

Periodically, we evaluate the effectiveness of control and disclosure procedures of the company. The evaluation also carefully considers the applicable provisions in the New York Stock Exchange as well as the Stock Exchange Committee (SEC), taking into account that Telkom shares are also listed in those stock exchanges in question. Evaluation activities are carried out under the supervision and participation of the management, including the Director of the Company or, the equivalent of the Chief Executive Officer ("CEO") and Chief Financial Officer, or the equivalent of Chief Financial Officer ("CFO"), as defined in *Rules* 13a-15(e) and 15(d) - 15(e) of the *Exchange Act*.

Violation Reporting System (Whistleblower System) [G4-SO4]

We develop and implement a violation reporting system policy (*whistleblower system*) as a form of Telkom's commitment to transparency, accountability and especially to the prevention of criminal acts of abuse of authority, fraud and corruption. This mechanism is also part of the effort to improve the quality of the implementation of *good corporate governance* in Telkom environment. The purposes of the implementation of the violation reporting system are, among others:

1. Creating a conducive working environment.
2. Transparency in the conduct of the tender activities.
3. Improving the quality of financial management.
4. Prevention of violations that could cause serious financial or non-financial loss that may damage the image of Telkom.

Violations report can be submitted to the Commissioner or to the Chairman of the Audit Committee in Telkom via *e-mail*, fax or letter to the address in question. Based



bersangkutan. Berdasarkan laporan tersebut, kami akan melakukan analisa jenis pelanggaran yang terjadi, dan mengambil tindakan sesuai tingkat pelanggaran dan bukti lanjutan yang diperoleh, termasuk mengajukan pelanggar yang terbukti untuk diproses sesuai hukum yang berlaku. Kami juga telah menetapkan prosedur yang memastikan adanya jaminan kerahasiaan pelapor, baik karyawan maupun pihak ketiga yang menyampaikan keluhan atau laporan dugaan tindak pelanggaran.

Mencegah Benturan Kepentingan [G4-14]

Kami menetapkan aturan tegas, yakni seluruh pihak internal maupun eksternal yang memiliki peluang tersangkut dalam suatu transaksi dengan potensi terjadi benturan kepentingan, dilarang terlibat dalam proses pembuatan keputusan menyangkut transaksi tersebut. Sepanjang tahun 2016 tidak ditemukan indikasi adanya benturan kepentingan pada seluruh transaksi material maupun non-material yang dilaksanakan.

Menghindarkan Keterlibatan Politik

Kami melarang pemberian donasi untuk partai politik termasuk diantaranya penggunaan dana atau aset Perseroan untuk kepentingan partai politik atau calon dari partai politik, baik secara langsung maupun tidak langsung.

Kebijakan Pengadaan Barang/Jasa [G4-LA14]

Kami menerapkan kebijakan pengadaan barang dan jasa yang transparan dan akuntabel, memenuhi prinsip-prinsip efektif dan efisien, terbuka, bersaing adil dan tidak diskriminatif. Proses pengadaan barang dan jasa Kami upayakan selalu melalui persaingan yang sehat sesuai dengan peraturan dan perundang undangan yang berlaku. Kami secara konsisten menerapkan proses pengadaan dan kemitraan dengan penggunaan sistem *e-auction* melalui aplikasi yang meminimalkan kontak fisik antara pemasok/mitra dengan panitia karena keseluruhan proses tender dan negosiasi telah berbasis komputer sehingga berlangsung adil dan transparan.

Kami melakukan pemilihan pemasok dengan melalui tiga tahapan utama yaitu Registrasi Supplier dimana Supplier melakukan registrasi secara online melalui aplikasi *Supply Management and Logistic Enhancement* ("SMILE"), kemudian dilanjutkan dengan Seleksi Supplier dimana kami melakukan assessment pemasok sesuai dengan klasifikasi usaha dan beberapa kriteria lain sehingga menghasilkan ranking dan *short-list* dan dilanjutkan dengan penetapan *Eligible Bidder* yaitu pemasok yang berhak atau akan dilibatkan untuk mengikuti proses *procurement*. Pada proses seleksi pemasok dan kontraktor bernilai signifikan, kami turut menilai komitmen setiap

on the report, we will analyze the types of violations that occurred, and take action according to the level of violations once further evidence is obtained, as well as bring the alleged offenders to be processed according to the law. We also have set up procedures to ensure the confidentiality of the informant, both employees and third parties who submit the complaints or reports of alleged violations.

Preventing Conflict of Interest [G4-14]

We have set strict rules, all internal and external parties, who have the opportunities to be involved in a transaction with a potential conflict of interest, are prohibited from being involved in the decision-making process regarding the transaction in question. Throughout 2016, there has been no indication of a conflict of interest on the entire material or non-material transactions.

Avoiding Political Involvement

We prohibit donations to political parties including the use of funds or assets of the Company for the benefit of political parties or candidates of a political party, either directly or indirectly.

Procurement of Goods/Services Policies [G4-LA14]

We apply the procurement of goods and services policies that are transparent and accountable, satisfy the principles of effectiveness and efficiency, openness, fair and non-discriminatory competition. We endeavor that the procurement process of goods and services will always be conducted through a healthy competition in accordance with the applicable rules and regulations. We consistently apply the procurement process and partnership by using *e-auction* system through applications that minimize physical contact between the supplier/partner and the committee that enable the whole tender process and negotiations to be computer-based, in order for them to be fair and transparent.

We conduct the selection process of suppliers through three main stages, namely Supplier Registry where the Supplier register online through the application of *Supply Management and Logistics Enhancement* ("SMILE"), followed by the Supplier Selection process where we assess the supplier in accordance with the business classification and some other criteria that generate ranking and short-list, and followed by the appointment of *Eligible Bidder* that is the supplier that has the rights to or will be engaged in the procurement process. In the selection process of suppliers and contractors of a significant value, we also assess the commitment of each potential

calon pemasok dimaksud terhadap pemenuhan aturan dibidang ketenagakerjaan/hak asasi manusia, serta kesehatan dan keselamatan kerja. Setiap calon pemasok/kontraktor diharuskan mematuhi kriteria ini.

Kami juga melakukan penilaian atas kinerja pemasok secara berkala dengan transparan dan adil, agar terjalin hubungan kerja sama yang lebih baik, berkelanjutan dan membawa benefit optimal bagi Perseroan.

KOMITMEN DAN KEBIJAKAN ANTI KORUPSI [G4-SO4, G4-SO5]

Sesuai dengan sifat usahanya, industri telekomunikasi berbasis teknologi informasi merupakan jenis industri yang padat modal dan membutuhkan investasi dalam skala besar secara berkala untuk menyesuaikan dengan perkembangan teknologi. Oleh karenanya, kami senantiasa mengalokasikan sejumlah besar belanja modal setiap periode operasional, dalam rangka pembelian peralatan pendukung, melakukan investasi pembangunan infrastruktur pendukung, maupun untuk investasi pembelian *software* dan *hardware* di bidang telekomunikasi. Kegiatan pembangunan infrastruktur pendukung juga berlangsung di seluruh wilayah Indonesia, berupa pendirian menara BTS, pembangunan jaringan serat optik, penyambungan kabel telepon dan sebagainya.

Kami melengkapi kegiatan investasi berkala tersebut dengan pengembangan kebijakan anti korupsi yang diterapkan dengan komitmen tinggi dari seluruh jajaran manajemen, baik di level tertinggi maupun di level pelaksana. Kami menerapkan tiga pendekatan sekaligus dalam meminimalkan, mencegah dan menindak terjadinya pelanggaran yang merugikan perusahaan ini, baik moral, berupa rusaknya citra Telkom, maupun materiil.

Pada pendekatan pertama, kami meminimalisir potensi tindak pidana korupsi melalui upaya peningkatan pemahaman Direksi, karyawan, juga para mitra kerja sebagai pihak eksternal terkait, terhadap segala hal yang berkaitan dengan komitmen dan sikap anti korupsi. Kami juga menjadikan materi antikorupsi sebagai bagian dalam realisasi program pelatihan Program Pengembangan Kepemimpinan (*Leadership Development Program*).

Pada pendekatan kedua, kami mengedepankan upaya pencegahan tindak pidana korupsi, *fraud* dan sejenisnya melalui penerapan Kode Etik Perusahaan dan *Whistleblower System* sebagai bentuk upaya agar setiap pejabat pembuat komitmen dan pihak terkait lainnya senantiasa bertindak sesuai koridor hukum yang berlaku dan menjunjung tinggi asas akuntabilitas.

supplier in question in applying the rules of employment/ human rights, as well as occupational health and safety regulations. Each prospective supplier/contractor is required to comply with these criteria.

We also conduct a regular assessment of supplier performance in a fair and transparent manner, in order to create a better, sustainable and beneficial cooperative relationship for the Company.

ANTI-CORRUPTION COMMITMENTS AND POLICY [G4-SO4, G4-SO5]

In accordance with the nature of its business, the telecommunications industry based on information technology is the type of capital-intensive industry that requires periodical large-scale investment to keep pace with the technological advancement. Therefore, we always allocate a large amount of capital expenditure of each operational period, in order to purchase supporting equipment, invest in the development of supporting infrastructures, as well as invest in the purchase of telecommunications software and hardware. Supporting infrastructure development activities also take place in all parts of Indonesia, such as the BTS tower construction, fiber-optic network construction, phone cords installment and so forth.

We complement these periodic investment activities with the development of anti-corruption policy that is applied with a high commitment from all levels of management, both at the highest and executive levels. We apply the three approaches simultaneously to minimize, prevent and crack down on violations that harm the company, both morally, by tampering with the image of Telkom, and materially.

In the first approach, we minimize the potential for corruption by enhancing the understanding of Directors, employees, as well as business partners as external interested parties, on all matters related to anti-corruption commitment and outlook. We also use anticorruption material as part of the training in the Leadership Development Program.

In the second approach, we prioritize efforts to prevent corruption, fraud and its kind through the application of our Code of Conduct and Whistleblower System as an effort to make every commitment-maker officials and other relevant parties to always act in accordance with the applicable law and uphold the principle of accountability.

Pada pendekatan ketiga, Kami mengedepankan peran pengawasan dan penindakan yang dijalankan oleh Satuan Internal Audit pada sisi pengawasan dan oleh Manajemen Puncak dari sisi penindakan. Termasuk dalam upaya pengawasan ini adalah penerapan kebijakan Sistem Pengawasan dan Pengendalian Internal yang berbasis COSO.

Sesuai dengan tingkat pelanggaran yang dilakukan, sanksi yang diterapkan bervariasi, mulai dari teguran keras, penundaan kenaikan jenjang jabatan, sampai dengan pemberhentian hubungan kerja dan pelimpahan kepada pihak yang berwajib.

KODE ETIK BERPERILAKU [G4-56]

Sesuai ketentuan *Sarbanes Oxley Act* ("SOA") 2002 *section* 406, Telkom memiliki dan menjalankan kode etik yang berlaku bagi seluruh level organisasi. Kode Etik Telkom ditetapkan melalui Keputusan Direksi No.KD.201.01/2014 tentang Etika Bisnis di Lingkungan Telkom Group. Kode Etik Telkom berlaku bagi anggota Direksi, anggota Dewan Komisaris dan karyawan keluarga besar Telkom dalam berhubungan dengan pelanggan, pemasok, kontraktor, sesama karyawan dan pihak-pihak lain yang mempunyai hubungan dengan perusahaan.

Kode Etik tersebut intinya terdiri atas Etika Kerja Karyawan, mengatur norma-norma Perilaku Utama Karyawan dan Perilaku Utama Pemimpin, Etika Usaha, mengatur norma-norma dalam berhubungan dengan Regulator dan *Stakeholder*, termasuk dalam bersikap kepada Ketentuan tambahan dari Pedoman Kode Etik.

Kami mensosialisasikan seluruh butir-butir ketentuan utama dari Kode Etik secara berkala melalui berbagai media internal, termasuk didalamnya adalah penandatanganan pakta integritas dan *assessment* yang dilakukan setiap tahun.

BUDAYA PERUSAHAAN [G4-56]

"The Telkom Way" merupakan budaya perusahaan atau nilai-nilai perusahaan yang dimiliki Telkom yang secara lengkap diformulasikan sebagai berikut.

Philosophy to be the Best: Always The Best

Always the Best adalah sebuah *basic belief* untuk selalu memberikan yang terbaik dalam setiap pekerjaan. *Always the Best* memiliki esensi "Ihsan" yang dalam pengertian ini diterjemahkan "terbaik". Setiap insan Telkom Group yang memiliki spirit Ihsan akan selalu memberikan hasil kerja yang lebih baik dari yang seharusnya, sehingga sikap ihsan secara otomatis akan dilandasi oleh hati yang ikhlas. Ketika setiap aktivitas yang dilakukan adalah bentuk dari ibadah kepada Tuhan Yang Maha Esa.

In the third approach, we put forward the role of monitoring and enforcement run by the Internal Audit Unit on the supervision and by the top management on the enforcement side. This monitoring effort includes the implementation of COSO-based Internal Monitoring and Control System policies.

Depending on the level of offense committed, sanctions range from reprimand, promotion delay, up to the termination of employment and devolution of cases to the authorities.

CODE OF CONDUCT [G4-56]

Pursuant to the *Sarbanes Oxley Act* ("SOA") 2002 *section* 406, Telkom has and implements the code of conduct that applies to all levels of the organization. Telkom Code of Conduct was established by the Decree of Directors No.KD.201.01/2014 on Corporate Ethics in Telkom Group. Telkom Code of Conduct is applicable to members of the Board of Directors, members of the Board of Commissioners and employees of Telkom large family in dealing with customers, suppliers, contractors, fellow employees and other parties who have relationships with the company.

The Code essentially consists of employees' work ethic that sets norms of behavior of the employees and key behaviors of the employers, business ethics that set norms in dealing with the regulators and stakeholders, including in observing additional provision of the code of conduct.

We socialize the whole main provision of the code of conduct regularly through various internal media, including integrity pact signing and annual assessment.

CORPORATE CULTURE [G4-56]

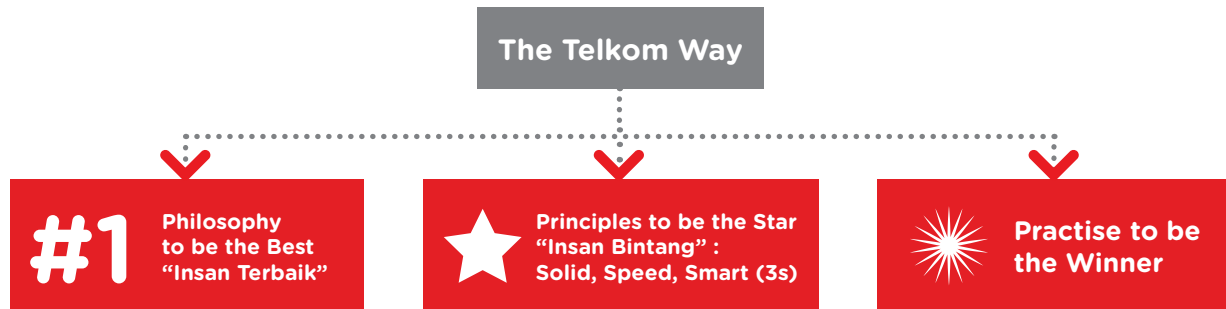
"The Telkom Way" is Telkom's corporate culture or values which is completely formulated as follows.

Philosophy to be the Best: Always The Best

Always the Best is a *basic belief* to always give the best in every job. *Always the Best* has the essence of "*Ihsan*" which in this sense is translated into "the best". Any individual of the Telkom Group who has the spirit of *Ihsan* will always give better work results than expected, so the attitude of *Ihsan* will automatically be guided by a sincere heart when any activity undertaken is a form of worship to God Almighty.

Living THE TELKOM WAY

Working at Telkom Group Has to be Fun, Keep Your Spirit High and Stay Young Forever



Philosophy to be the Best: Integrity, Enthusiasm, Totality

Always the Best menuntut setiap insan Telkom Group memiliki integritas (*integrity*), antusiasme (*enthusiasm*), dan totalitas (*totality*).

Principles to be the Star: Solid, Speed, Smart

Principles to be the Star dari *The Telkom Way* adalah 3S yakni *Solid, Speed, Smart* yang sekaligus menjadi *core values* atau *great spirit*.

Solid - Seluruh insan Telkom Group harus memberikan yang terbaik (*Always The Best*) dan meningkatkan solidaritas di antara seluruh insan Telkom Group sebagai satu *Great Team*.

Speed - Segenap insan Telkom Group harus bekerja cepat dalam setiap kesempatan untuk memenangkan persaingan. Karena yang cepat akan mengalahkan yang lambat.

Smart - Seluruh insan Telkom Group dituntut bekerja smart, yaitu memahami tujuan yang ingin dicapai, menentukan prioritas dan selalu mencari cara baru yang lebih baik untuk mencapai tujuan.

Practices to be the Winner : Imagine - Focus - Action

Practices to be the Winner dari *The Telkom Way* adalah IFA yakni *Imagine, Focus, Action* sekaligus sebagai *Key Behaviors*.

Philosophy to be the Best: Integrity, Enthusiasm, Totality

Always the Best urges every individual of the Telkom Group to have integrity, enthusiasm, and totality.

Principles to be the Star: Solid, Speed, Smart

Principles to be the Star of *The Telkom Way* means 3S which stands for *Solid, Speed, Smart* which also becomes *core values* or *great spirit*.

Solid - All individuals of the Telkom Group must provide the best (*Always The Best*) and increase solidarity among all individuals of the Telkom Group as one *Great Team*.

Speed - All individuals of the Telkom Group must work efficiently at every opportunity to win the competition because the fast ones will beat the slow ones.

Smart - All individuals of the Telkom Group are required to work smartly, that is to understand the goals to be achieved, to determine priorities and to always look for new better ways to achieve the goals.

Practices to be the Winner : Imagine - Focus - Action

Practices to be the Winner of *The Telkom Way* means IFA which stands for *Imagine, Focus, Action* which is also *Key Behaviors*.



Sosialisasi dan Strategi Pencapaian The Telkom Way Tahun 2016

Adapun proses sosialisasi dan strategi pencapaian the Telkom Way pada tahun 2016 digambarkan dalam bagan berikut.

Socialization and Achievement Strategy of the Telkom Way 2016

The socialization process and achievement strategy of the Telkom Way in 2016 is depicted in the following chart.

Strategi Pencapaian the Telkom Way Tahun 2016/ Achievement of the Telkom Way Strategy 2016

Warrant Telkom Group

Process of Culture Audit & Alignment

Role Modeling

- Set Senior Leader in TELKOM Group as a Role Model with sustain commitment (Annual Program Setting)
- Provide Improvement and series of Role Model Coaching Session to Culture Agent
- Culture Agent Recruitment
- Promote "Leaders Talk Values Program"

Compelling Story

- Cerpen KIPAS BUDAYA TTW Acticity : Promote Disruptive Culture Project than specific logic "Go digital", "Go to Customer Experience", "Be move Learn"
- Develop Interactive website of TTW Insight for TELKOM Group
- Continuing Innovative culture inspiring legend
- Culture Award "Finding The Culture Heroes"
- Promote the digital work environment
- Strengthen TTW than National day event

Formal System & Procedure

- Translate disruptive & digital culture into The Telkom Way behavior thru Digital Culture Appreciative Injury Session
- Design Culture Fit Test for New Hire
- Develop Performance Indicator and Evaluation for Role Model & Culture Agent
- Define Symbol and Artistic

Upgrade Skill To Change

- Culture Agent Recharging
- Culture Agent Onboarding
- Running TTW Refreshment (Digital Culture) for all employee (online/offline)
- Running TTW for Frontliner (From Culture to Customer Experience)
- Role Model Learn & Share
- Seminar Session 4 Leader : "Leader as a Coach"

Employee Corner

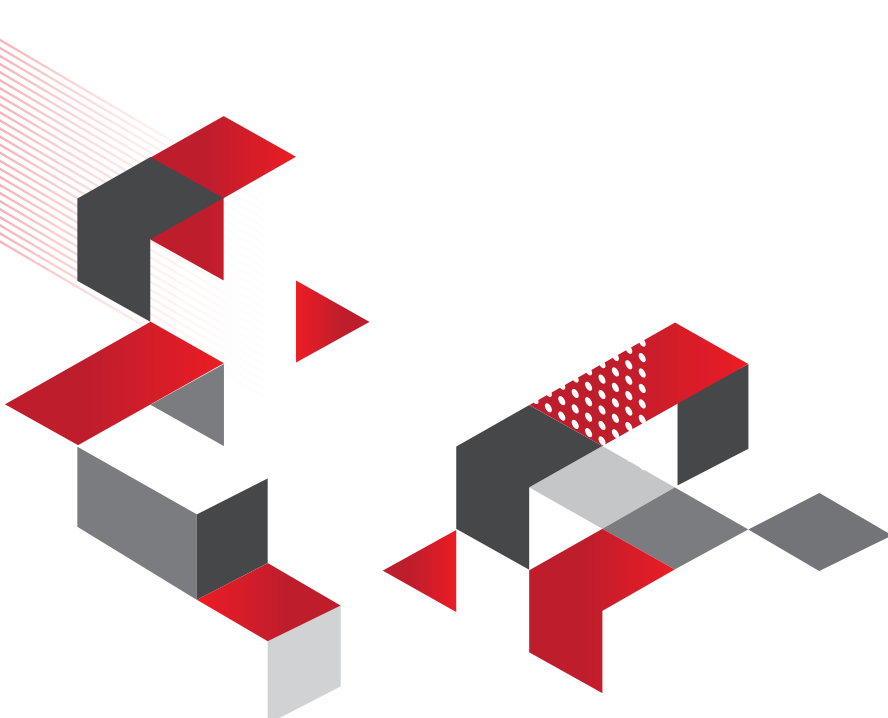
Kami menyediakan aplikasi *employee corner* untuk membantu karyawan mencari dan mempelajari layanan kebijakan sumber daya manusia (SDM) serta sebagai sarana bagi karyawan memberikan masukan kepada manajemen, terdiri dari:

1. *HR helpdesk* - Program pengelolaan *feedback* karyawan terkait isu pengelolaan *Human Capital* dalam perusahaan, dari mulai menyediakan saluran penyampaian *feedback*, merespon dan menyelesaikan *feedback*, hingga mendokumentasikan dan melakukan *review* sebagai *feedback* kepada manajemen. Layanan yang tersedia adalah *web-in service*, *email-in service* melalui HR_helpdesk@telkom.co.id atau *phone-in service* di nomor 1500305.
2. *HR wiki* - Layanan *search engine* untuk pencarian jawaban, definisi ataupun prosedur pengelolaan *human capital* kini cepat dan mudah. Masukkan kata kunci yang ingin diketahui, *Employee Wiki* akan memberikan jawabannya.
3. *Employee aspiration* - Merupakan adaptasi dari *Employee Suggestion System* (ESS), yaitu mekanisme yang digunakan oleh Perusahaan untuk mengumpulkan ide kreatif karyawan, dimana adalah saran-saran dari karyawan dikumpulkan, diklasifikasikan dan dikirimkan kepada expert atau komite untuk dievaluasi. Setelah itu, saran dapat diadopsi oleh Perusahaan, dan dalam hal ini Perusahaan juga dapat memberikan *reward*.
4. *Employee reference* - Katalog ke kebijakan human capital yang masih berlaku dan menyediakan penjelasan singkat atas setiap kebijakan yang dibutuhkan berikut dokumen peraturannya.

Employee Corner

We provide *employee corner* applications to help employees find and study the human resources policy services and to act as a means for employees to give inputs to the management, that consists of:

1. Employee helpdesk - employee feedback management program, ranging from providing feedbacks, responding to feedbacks, up to documenting and conducting a review as a feedback to the management. The service provided is web-in service, email-in service through HR_helpdesk@telkom.co.id or phone-in service at number 1500305.
2. Employee wiki - search engine services to search for answers, definition as well as procedures of human capital management is now quick and easy to use. Enter the keywords you want to know, Employee Wiki will give you the answer.
3. Employee aspiration - an adaptation of the Employee Suggestion System (ESS), which is the mechanism used by the Company to collect employees' creative ideas, which are suggestions from employees that are collected, classified and sent to an expert or committee to be evaluated. After that, the advice can be adopted by the Company, and in this case, the company can also provide rewards.
4. Employee reference - a catalog for valid human capital policies that provides a brief explanation of each required policy as well as its regulatory documents



GLOSARY - SR TELKOM 2016

4G/LTE

4G/LTE adalah teknologi jaringan internet super cepat generasi ke-empat berbasis *Internet Protocol* (IP) yang membuat proses transfer data jadi lebih cepat dan stabil

Broadband

Pengiriman sinyal telekomunikasi yang termasuk atau menangani jangkauan (pita) frekuensi yang relatif lebar.

BTS

Base Transceiver Station yang merupakan perangkat untuk mengirim dan menerima sinyal telepon radio ke dan dari sistem telekomunikasi lain.

BUMN

Badan Usaha Milik Negara adalah perusahaan milik Pemerintah, perusahaan milik negara, entitas milik negara, perusahaan negara, perusahaan milik publik, atau parastatal yang merupakan badan hukum yang dibentuk oleh Pemerintah untuk melakukan kegiatan komersial atas nama Pemerintah sebagai pemiliknya.

e-Commerce

Electronic commerce merupakan penjualan dan pembelian produk atau layanan melalui sistem elektronik seperti jaringan internet dan jaringan komputer lainnya.

Edutainment

Edukasi dan hiburan (*entertainment*).

Gateway

Gateway adalah perangkat yang menjembatani jaringan berbasis paket ("IP") dan jaringan berbasis sirkuit ("PSTN").

GHz

Gigahertz. Hertz (yang disimbolkan Hz) adalah satuan ukuran internasional untuk frekuensi yang didefinisikan sebagai jumlah siklus per detik dari sebuah fenomena berkala.

RUPS

Rapat Umum Pemegang Saham, yang juga dapat berarti Rapat Umum Pemegang Saham Tahunan ("RUPST") atau Rapat Umum Pemegang Saham Luar Biasa ("RUPSLB").

GRI

Global Reporting Initiative adalah organisasi pembuat standar pelaporan keberlanjutan yang berlaku secara internasional.

GRI-G4

Pedoman penulisan laporan keberlanjutan yang mulai dapat diaplikasikan di tahun 2014.

4G/LTE

A fourth generation super fast internet network technology based on Internet Protocol (IP) that makes the process of data transfer much faster and stable.

Broadband

A signaling method that includes or handles a relatively wide range (or band) of frequencies.

BTS

Base Transceiver Station, equipment that transmits and receives radio telephony signals to and from other telecommunication systems.

SOE

State-Owned Enterprise, a Government-owned corporation, state-owned company, state-owned entity, state enterprise, publicly owned corporation, Government business enterprise, or parastatal, a legal entity created by a Government to undertake commercial activities on behalf of an owner Government.

e-Commerce

Electronic Commerce, the buying and selling of products or services over electronic systems such as the internet and other computer networks.

Edutainment

Education and Entertainment.

Gateway

A peripheral that bridges a packet based network (IP) and a circuit based network (PSTN).

GHz

Gigahertz. The hertz (symbol Hz), the international standard unit of frequency defined as the number of cycles per second of a periodic phenomenon.

GMS

General Meeting of Shareholders, which may be an Annual General Meeting of Shareholders ("AGMS") or an Extraordinary General Meeting of Shareholders ("EGMS").

GRI

Global Reporting Initiative is an organization that sets internationally accepted sustainability reporting standards.

GRI-G4

A guideline for the compilation of sustainability reports that came into effect in 2014.

IME

Information, Media dan Edutainment.

Interkoneksi

Hubungan fisik dari sebuah jaringan *carrier* dengan perangkat atau fasilitas yang bukan merupakan bagian dari jaringan itu.

Mbps

Megabyte per second adalah satuan pengukuran kecepatan pengiriman sinyal digital yang dinyatakan dalam jutaan bit per detik.

OJK

Otoritas Jasa Keuangan, pengganti dari Bapepam-LK, merupakan lembaga independen yang memiliki wewenang untuk melakukan pengaturan dan pengawasan terhadap kegiatan jasa keuangan di sektor Perbankan, sektor Pasar Modal, dan sektor industri keuangan non bank.

PPIP

Jenis program pensiun yang besaran kontribusi tahunan dari perusahaan telah ditentukan. Rekening pribadi disiapkan bagi para peserta program dan manfaatnya dihitung berdasarkan jumlah yang disetorkan ke dalam rekening tersebut (melalui kontribusi perusahaan dan, jika mungkin, kontribusi karyawan) ditambah dengan pendapatan investasi apapun dalam bentuk uang yang tersimpan di dalam rekening tersebut. Hanya kontribusi perusahaan kepada rekening tersebut yang dijamin, bukan manfaat di masa depannya. Dalam program iuran pasti, manfaat masa depan sangat berfluktuasi berdasarkan pendapatan investasinya.

PPMP

Jenis program pensiun di mana perusahaan menjanjikan manfaat bulanan tertentu pada saat karyawan pensiun yang ditetapkan sejak awal oleh suatu formula, berdasarkan pada sejarah pendapatan, masa kerja dan usia karyawan, bukan berdasarkan tingkat pengembalian investasi. Program ini dikatakan "pasti" dalam kaitannya dengan formula untuk menghitung kontribusi perusahaan yang telah diketahui sejak awal.

Pulsa

Pulsa adalah satuan perhitungan biaya telepon.

SMS

Short Messaging Service atau Layanan Pesan Pendek adalah bentuk teknologi yang memungkinkan pertukaran pesan antara telepon bergerak dan telepon nirkabel tidak bergerak.

IME

Information, Media and Edutainment.

Interconnection

The physical linking of a carrier's network with equipment or facilities not belonging to that network.

Mbps

Megabyte per second, a measure of speed for digital signal transmission expressed in millions of bits per second.

OJK

Otoritas Jasa Keuangan, or the Indonesian Financial Services Authority, the successor of Bapepam-LK, is an independent institution with authority to regulate and supervise financial services activities in the banking sector, capital market sector as well as non-bank financial industry sector.

Defined Contribution Pension Plan

A type of retirement plan in which the amount of the employer's annual contribution is specified. Individual accounts are set up for participants and benefits are based on the amounts credited to these accounts (through employer contributions and, if applicable, employee contributions) plus any investment earnings on the money in the account. Only employer contributions to the account are guaranteed, not the future benefits. In defined contribution plans, future benefits fluctuate on the basis of investment earnings.

Defined Benefit Pension Plan

A type of pension plan in which an employer promises a specified monthly benefit on retirement that is predetermined by a formula based on the employee's earnings history, tenure of service and age, rather than depending on investment returns. It is considered 'defined' in the sense that the formula for computing the employer's contribution is known in advance.

Pulse

The unit in the calculation of telephone charge.

SMS

Short Messaging Service, a technology allowing the exchange of text messages between mobile phones and between fixed wireless phones.

SOA

Sarbanes-Oxley Act, diberlakukan pada tanggal 30 Juli 2002, juga dikenal sebagai *Public Company Accounting Reform and Investor Protection Act* dan *Corporate and Auditing Accountability and Responsibility Act*.

Switch

Perangkat elektronik, listrik atau mekanis yang berfungsi membuka atau menutup sirkuit, melengkapi atau menghentikan jalur listrik, atau memilih jalur atau sirkuit, yang digunakan untuk mengarahkan trafik di jaringan telekomunikasi.

Telepon Kabel Tidak Bergerak

Layanan telepon melalui kabel tidak bergerak yang menghubungkan seorang pengguna di suatu lokasi dengan terminal telepon lokal, biasanya dengan menggunakan nomor telepon sendiri.

TIMES

Telecommunication, Information, Media, Edutainment dan Service.

UKM

Usaha Kecil Menengah atau *Small and Medium Enterprises* ("SME")

SOA

The Sarbanes-Oxley Act came into effect on July 30, 2002 and is also known as the Public Company Accounting Reform and Investor Protection Act, and Corporate and Auditing Accountability and Responsibility Act.

Switch

A mechanical, electrical or electronic device that opens or closes circuits, completes or breaks an electrical path, or selects paths or circuits, used to route traffic in a telecommunications network.

Fixed Wireline

A fixed wire or cable path linking a subscriber at a fixed location to a local exchange, usually with an individual phone number.

TIMES

Telecommunication, Information, Media, Edutainment and Service.

SME

Small and Medium Enterprise.

Independent Assurance Statement

Report No. 0817/BD/0013/JK

To the management of PT Telkom Indonesia (Persero) Tbk

We were engaged by PT Telkom Indonesia (Persero) Tbk ('Telkom') to provide assurance in respect to its Sustainability Report 2016 ('the Report'). The assurance has been carried out by a multi-disciplined assurance team with a broad range of skills and depth of experience, thus providing a high level of competency for the assurance engagement.

Independence

We were not involved in the preparation of any key part of the Report and carried out all assurance undertakings with independence and autonomy. We did not provide any services to Telkom during 2016 that could conflict with the independence of assurance engagement.

Assurance Standards

We conducted our work in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' issued by the International Auditing and Accounting Standards Board. In addition, we have also planned and carried out our work in accordance with AA1000AS (2008) 'AA1000 Assurance Standards (2008)', issued by AccountAbility.

Level of assurance and criteria used

Our evidence-gathering procedures have been designed to obtain a limited level of assurance based on SAE3000 and a moderate level of assurance engagement as set out in AA1000AS (2008) in order to provide confidence to readers by reducing risks or errors to a very low but not to zero. Moreover, the AA1000 AccountAbility Principles Standard (2008) of Inclusivity, Materiality and Responsiveness has also been used as criteria to evaluate the Report.

Scope of Assurance

We provided Type 2 assurance engagement under AA1000AS (2008). This involved:

- 1) an assessment of Telkom's adherence to the AA1000 AccountAbility Principles Standard (2008) and
- 2) an assessment on the accuracy and quality of specified sustainability performance information contained within the Report, in relation to the agreed scope. The scope of work consisted of:
 - Partnership program
 - Community stewardship program
 - Occupational health and safety
 - Human resources development.

Responsibility

Telkom is responsible for all information and claims contained in the Report, including established sustainability management targets, performance management, data collection and report preparation, etc. Our responsibility in performing this engagement is to the management of Telkom only for the purposes of verifying its statements relating to its sustainability performance, more particularly as described in the agreed scope. Our responsibility is to express our conclusions in relation to the agreed scope.

Methodology

We have assessed several assertions and specified data sets included in the report and the systems and processes used to manage and report these using the following methods:

- Reviewed report, internal policies, documentation, management and information systems
- Carried out interviews with staff involved in sustainability-related management and reporting
- Followed data trails to initial aggregated source and checked sample data to a greater depth during the engagement process.

Limitations

Our scope of work was limited to a review of the accuracy and reliability of specified data and interviews with data providers, persons in charge of data collection and processing, as well as persons in charge of sustainability performance-related information.

Conclusions

Findings and conclusions concerning adherence to the AA1000 AccountAbility Principles of Inclusivity, Materiality and Responsiveness include:

■ Inclusivity

An assessment has been made to determine whether Telkom has included all key stakeholders in developing and achieving an accountable and strategic response to sustainability issues.

We found Telkom demonstrates a strong commitment to stakeholder inclusivity. Telkom has an effective system in place for key stakeholders to participate in the development of the organization's response in the context of sustainability. This is demonstrated for instance, by conducting needs assessment surveys and materiality level survey to the key stakeholders group.

However, we recommend that Telkom continues to improve stakeholder inclusivity systems and procedures on a regular basis to maintain their effectiveness.

■ Materiality

An assessment has been made as to whether Telkom has included in the Report the material information required by its stakeholders in order to enable them to make informed judgements, decisions and actions.

We found Telkom has a strong process in place to determine material issues. Key material issues were adequately reported and were found to provide balanced information about Telkom's sustainability performance. However, we recommend that Telkom continues to conduct materiality test on a regular basis in future reports.

■ Responsiveness

An assessment has been made as to whether Telkom demonstrates that it responds to its stakeholders and is accountable to them.

Telkom was found to be responsive to key stakeholder concerns and expectations. This was achieved through the organization's allocation of resources to stakeholder engagement, the timeliness and accessibility of reported information, and the types of communication mechanisms regularly employed.

However, we recommend that continues to improve stakeholder engagement procedures on a regular basis in future reports.

Based on our limited assurance engagement, nothing has come to our attention that causes us to believe that the data of the Report has been materially misstated.

All key assurance findings are included herein, and detailed observations and follow-up recommendations have been submitted to Telkom management in a separate report.

Jakarta, August 16, 2017



James Kallman
Chief Executive Officer



Moore's Rowland is an international organization specializing in audit, accounting, tax, legal and advisory services. Moore's Rowland is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies.

We can rely on the skills of more than 33,400 professionals operating together in 97 countries, sharing the same values and sense of responsibility, whilst in Indonesia is served by Moores Rowland, one of the leading sustainability assurance providers.

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Lembar Umpan Balik / Feedback Form

Terima kasih atas perhatian dan apresiasi Bapak/Ibu terhadap laporan keberlanjutan kami ini.
Thank you for your attention and appreciation on our sustainability report.

Untuk meningkatkan pelayanan kami dalam mengembangkan laporan yang akan datang, maka kami mohon Bapak/Ibu untuk mengisi kuesioner berikut dan dapat mengirimkannya kembali kepada kami. Kami sangat mengharapkan pemikiran, saran dan kritik dari Bapak/ Ibu.

To improve our next report, please let us know what you think about the report by filling the questionnaire below and return this feedback form to us. Your views and critics are very much welcomed and appreciated.

No	Pernyataan / Statement	SS / SA	S / A	RR / SD	TS / D	STS / SD	Alasan / Comment
1	Laporan ini berisi/mengandung informasi yang bermanfaat mengenai komitmen Telkom dan kebijakannya / This report contains useful information on Telkom's Sustainability Development commitment and policy						
2	Laporan ini menyediakan suatu gambaran/summary mengenai kinerja Telkom Group yang sejalan dengan usaha pencapaian sustainable development This report provides a good overview on Telkom Group's performance in its pursuit to reach sustainable development						
3	Laporan ini mudah dimengerti. This report is easy to understand						
4	Informasi pada laporan ini cukup lengkap (detail) The report provides enough detail of information						
5	Laporan ini layak/dapat dipertanggungjawabkan This report is credible enough						

SS = Sangat Setuju S = Setuju RR = Ragu-ragu TS = Tidak Setuju STS = Sangat Tidak Setuju
SA = Strongly Agree A = Agree SD = Somewhat Disagree D = Disagree SD = Strongly Disagree

Informasi yang menarik adalah: Most interested information is (are):	Informasi yang kurang menarik adalah: Least interested information is (are):
a.	a.
b.	b.
Saran dan/atau kritik mengenai isi, desain, layout dan lain-lain. Comments on content, design, layout, etc	Informasi yang dapat ditambahkan: Any additional comments:
a.	a.
b.	b.

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Institusi/Perusahaan Institution/Company (optional) : _____

Terima kasih atas kesediaan Bapak/Ibu untuk meluangkan waktu dalam mengisi feedback form ini. Mohon agar formulir ini dapat dikirim kepada kami.

Thank you for your time provided to fill in this feedback form. Please send this form back to us:

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Direksi beserta pimpinan telkom berpartisipasi dalam program bumh mengajar
Directors and Senior Leaders of Telkom participate in SOE to Teach (*BUMN Mengajar*) Program



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