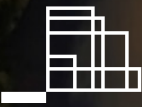




traveloka Impact Study

by 
pwc

REPORT 2023

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1.0 Executive Summary

1.1 About Traveloka

Traveloka is one of Southeast Asia's leading travel platform. It was founded in 2012 by Ferry Unardi, Derianto Kusuma, and Albert and is headquartered in Jakarta, Indonesia.

Traveloka began as a meta search site/engine designed to compare flight tickets across various other sites, before developing into an Online Travel Agent ("OTA") for flight ticket reservation sites. It later added hotel booking services and continued to develop until it became known as the travel platform it currently is. Overall in Southeast Asia ("SEA"), Traveloka has around 45+ million monthly active

users, with its mobile app having been downloaded 127+ million times, while offering 30+ payment methods (including Traveloka Paylater) and providing 20+ products in its portfolio (travel, local services, and financial products), with over 2,100+ employees.

Traveloka offers a variety of travel products, local services, and financial services. Travel products include online ticket purchases for various modes of transportation, such as flights, bus and shuttle services, trains, car rentals, airport transfers, and quick rides. It also offers online bookings for accommodation, such as hotels and holiday stays (apartments, guest houses, homestays, villas, and resorts). Local services offered by Traveloka include recreational and activity venues, health and beauty clinics, and culinary directories, while financial service (currently the majority are exclusively offered in Indonesia) offerings include the Buy Now Pay Later ("BNPL") financing service known as Traveloka PayLater,

2100+

Employee

20+

Product Portfolio

45M+

Monthly Active Users ("MAU")

30+

Payment Method

127M+

App Download



6 Countries in Southeast Asia (SEA)

Indonesia, Singapore, Thailand, Malaysia, Vietnam, and the Philippines

As of the time at which this report was written, Traveloka operates across six SEA countries with more than 2 million partners. Traveloka has 2 million+ accommodation partners laid out across 100 countries, 200+ airlines partners, 400+ financial services partners, 150,000+ Xperience partners, 600+ car rental and airport transfer partners, and 400+ bus and shuttle operators.



Airlines

200+

FSC & LCC



Financial Service

400+

Partners from bank institutions and merchants



Travel Activities

150K+

Inventories in 60 Countries



Bus & Shuttles

400+

Operations (in Indonesia)



Accommodation

2M+

in 100 countries



Car Rentals & Airport Transfer

600+

Providers

1.2 Objective and summary of findings

As one of the leading online travel platform in Indonesia, Traveloka plays a crucial role in the country's travel and tourism industry.

It provides businesses with an online platform to showcase their offerings and reach a wider audience - for instance, smaller businesses (e.g. guest houses, villas, non-chain hotels) can compete more effectively with larger hotel chains. These factors have been instrumental in increasing booking transactions, creating a substantial contribution to Indonesia's economy in terms of gross domestic product (GDP) and employment.

From 2019 to 2022, Traveloka's contributions to Indonesia's GDP averaged around 0.22% annually,

with a total contribution of around USD 10 billion during the 4-year period.

Over this period, Traveloka's creation of gross value added (GVA)¹ has supported an average of more than 360 thousand full-time equivalent ("FTE") employees per annum. While Traveloka's GVA contribution was heavily indexed towards the tourism and travel industries, its impact also resonated in broader sectors, including agriculture, refinery and wholesale trade.



Figure 1. Key Statistics of Economic Impact Assessment

Gross Value Added
(in USD)

10 Billion

Average Contribution
to the National GDP

0.22%

Average Employment
(in FTE)

365,726

Average Contribution to
the National Employment

0.28%

Data shown above is
Between 2019 - 2022

¹ GVA is the value of output minus any intermediate costs to produce the output. These costs include all employment compensation, incomes to sole proprietors, property incomes (dividends, interest, and rent), and indirect tax payments (primarily excise, use, and sales taxes paid by individuals to businesses). Value added is closely analogous to Gross Domestic Product ("GDP"), and is usually the preferred statistic for measuring the productivity, income, and wealth produced in a region, or by a type of manufacturing activity. To note, GVA should not be misconstrued for Gross Merchandise Value (GMV), and these two metrics can produce vastly differing results given their divergent calculation methods, while serving different purposes and providing distinct insights. GMV represents the total sales value of products or services sold over a specific period.

As an online platform that promotes travel and tourism, one way that Traveloka provides higher accessibility for its users to travel is through various payment options, including Traveloka PayLater. Educational content is also available in Traveloka's social media platforms to educate its target market on Traveloka PayLater, as well as other general financial knowledge. For its partners, particularly those categorized as MSMEs, Traveloka offers financing loans through a multi-finance company known as PT Caturusa Sejahtera Finance.

In line with the Government of Indonesia ("GoI")'s goal, Traveloka also supported the growth of digital talent in Indonesia through collaborative education programs for the public, such as the Bangkit Program and Mitra 5.0, which saw participation from

3,100

Indonesian students and

61

academic participants in 2022; as well as internal training related to digital skills for its employees. Through these programs, Traveloka contributes to reducing the talent skill gap in Indonesia.





Accelerating the growth of businesses

86%

of businesses surveyed agree that Traveloka has helped the accelerate business growth in the Travel & Tourism, Food & Beverages and Lifestyle Sector



Digitalization of business processes to increase efficiency and induce growth

Among MSME Business partners

68%

have gained customers from other provinces through Traveloka

26%

have gained customers from other countries through Traveloka



Facilitating cross-border transactions



Among non-MSME partners

26%

have gained customers from other provinces through Traveloka

74%

have gained customers from other countries through Traveloka

Surveyed agree that Traveloka has done the following:

63%

helped them reduce customer acquisition cost

76%

helped them earn higher revenue form online sales

69%

helped them increase efficiency

The businesses surveyed have experienced an average of

50% – 75%

growth in sales after partnering with Traveloka



Supportive contribution to accelerate COVID-19 recovery in the T&T sector

60%

of businesses surveyed agree that Traveloka has helped to navigate through challenges due to COVID-19 and recover from it.



47%

Through Traveloka's customer loyalty program



85%

Through business promotion done in Traveloka



36%

Through Traveloka's targeted campaigns



Supporting social inclusion

71%

of businesses surveyed agree that Traveloka support social inclusion



Exposure on local businesses to promote local market, local tourism, and local heritage

Out of businesses surveyed with businesses operating **outside Java and Bali**:

71%

are **micro** businesses

86%

agree Traveloka has helped them to **promote** their products and services

68%

able to obtain customer **outside their province** due to Traveloka

25%

able to obtain customer **outside their country** due to Traveloka

67%

experienced **positive** trends of visits/ bookings through Traveloka

77%

believe Traveloka has helped businesses to promote domestic tourism

62%

believe Traveloka has helped businesses to increase competitiveness against other destination



Empowering people from marginalized communities

Out of **women-founded businesses** surveyed:

92%

are **micro** businesses

62%

stated that they have received bookings/reservations from **other cities/provinces**

85%

agree that Traveloka has helped them to:

23%

stated that they have received bookings/reservations from **other countries**

- **promote** their products and services
- reach **more customers**
- obtain **higher revenue** from online sales

Among businesses surveyed

20%

are businesses with founders up to high school graduates.



Promoting sustainability

80%

of businesses surveyed agree that Traveloka promotes sustainability



Efforts to promote sustainable tourism among Traveloka customer and partners

Out of the businesses surveyed:

87%

believe sustainability is an important aspect for their business practices

49%

are already engaged in sustainable tourism practices

46%

Prioritize promoting destinations with high hygiene, safety and environmental standards



Sustainability certifications in possession (from the business surveyed)

9%

possess International certification

34%

possess local certification

6%

possess both international and local certificate





2.0 Introduction

The objective of this report is to evaluate the socioeconomic impacts of Traveloka on businesses, consumers, and society. Impacts are assessed on the basis of business partners' revenue facilitated by Traveloka and Traveloka's internal and external initiatives/programmes.

A survey was carried out among Traveloka's business partners. It was conducted online between 13 October 2022 and 22 February 2023. Purposive sampling was used, covering 164 respondents from 26 provinces in Indonesia, broken down according to Traveloka's key business units (i.e., Accommodation, Xperience, and Transport).

Figure 2. Focus Area of the Report

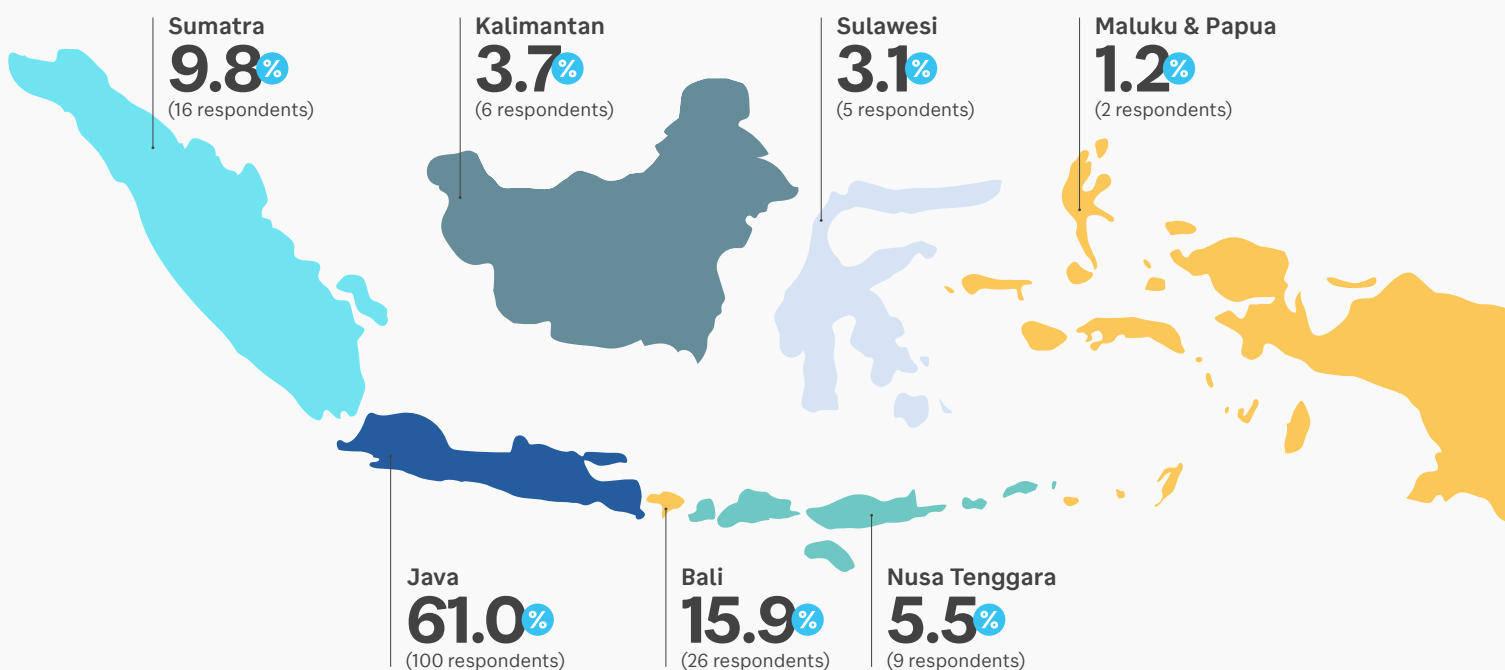
Social Impact

-  Social Inclusion
-  Business Sustainability

Economic Impact

-  Revenue to businesses
-  Output
-  Demand
-  Employment

Figure 3. Geographical Distribution of Survey Respondents





The report also includes case studies that are spread across the different sections. These are based on in-depth interviews with selected business partners that are meant to complement the survey findings with more detailed insights into their use of Traveloka.

Specific to economic impact, an Input-Output (“IO”) table was also used. IO is a quantitative economic model that represents the interdependence between various sectors of an economy. It provides an understanding of how many monetary units of input are needed to generate one monetary unit of output. The economic activities are estimated based on several indicators, namely:

Output: Output is the broadest measure of economic activity. It estimates the total gross value of goods and services produced by a company or industry

Gross Value Added (GVA): GVA is the value of output minus any intermediate costs to produce the output. Value added is closely analogous to Gross Domestic Product (“GDP”), and is usually the preferred statistic for measuring the productivity, income, and wealth produced in a region, or by a type of activity.

Since GDP is not the sum of total expenditure in an economy, from the business partners’ transactions facilitated through Traveloka.

To note, GVA should not be misconstrued for Gross Merchandise Value (GMV), and these two metrics can produce vastly differing results given their divergent calculation methods, while serving different purposes and providing distinct insights. GMV represents the total sales value of products or services sold over a specific period. It is a straightforward metric that showcases the scale of transactions but does not account for the costs involved in producing or procuring those products or services. On the other hand, GVA is a more nuanced metric that reflects the economic contribution of a company. It calculates the value added to the economy by subtracting the cost of inputs and raw materials from the gross output.

Full-Time Equivalent (FTE): Employment measurement based on the number of workers who worked for an entire year.



3.0 Accelerating the growth of businesses

3.1 The digitalization of business processes to increase efficiency and induce growth

Traveloka is one of SEA's leading travel platform for businesses to help promote and sell their products and services online. As of the time at which this report was written, Traveloka operates across six SEA countries with almost 2 million partners. Traveloka has 2+ million accommodation partners spread across 100 countries, 200+ airlines partners, 400+ financial services partners, 150,000+ Xperience partners, 600+ car rental and airport transfer partners, and 400+ bus and shuttle operators. These business partners offer products and services ranging from transportation to accommodation and financial services.

Businesses can register with Traveloka free of charge. Once registered, they can enjoy the benefits of the technology, management system, and partner support that Traveloka offers to business partners. Traveloka provides comprehensive guidance for new business partners to help them navigate the system and start growing their business. Traveloka helps businesses deliver some products (e.g., tickets) and services (e.g., financial services) directly to customers, instantly through online means. This greatly reduces delivery times and therefore increases convenience for customers.

One of the main benefits enjoyed by business partners is access to a wide customer base; to date, the mobile app has been downloaded more than 127 million times. This is supported by 63% of businesses surveyed who agreed

that Traveloka has helped them in reducing customer acquisition cost, 91% agreed that it helped them to reach more customers, and 87% agreed that it helped them to reach different types of customers. Furthermore, 68% of business partners surveyed stated that Traveloka has helped them to gain customers from other cities, while 69% stated that they have gained new customers from other provinces. This shows that Traveloka plays a key role in facilitating cross-city transactions.

Attracting international tourists is one of the challenges in Indonesia's tourism industry. Prior to the pandemic, in 2019, the number of international tourist visits was only approximately 2.2% of total domestic tourist visits with 38% of these international tourist visits entering through Ngurah Rai International Airport, Denpasar (Bali).² Furthermore, in the same year, only 15.3% and 5.7% of hotel guests in Indonesia were foreign tourists, for hotels with and without star-rating, respectively.³ Indonesia had a relatively low rank compared to its ASEAN peers for the Travel and Tourism Development Index by the World Economic Forum in 2019. It ranked 44 out of a total 140 countries while neighboring countries such as Singapore, Malaysia and Thailand ranked higher at 9, 29 and 35, respectively.⁴ However, several ASEAN countries lagged behind at the 60th and 73rd position for Vietnam and Philippines, respectively. In 2021, however, Indonesia was able to reach the 32nd position, surpassing all ASEAN countries, except for Singapore at the 9th position. A breakdown of the ranking components shows that Indonesia improved the most in terms of price competitiveness in 2021 (rose by 32 in rank compared to 2019). However, the spike in rank for price competitiveness might be partly due to temporary measures

² Badan Pusat Statistik

³ Badan Pusat Statistik

⁴ World Economic Forum, (2022), Travel and Tourism Development Index 2021 Dataset

to help the tourism industry recover from the pandemic. Traveloka contributes in increasing the exposure of Indonesian businesses in the industry to international tourists, in line with Indonesia's international openness sub-index which rose by 5 in rank in 2021. Nonetheless, of the businesses surveyed, 26% stated that they have gained new customers from other countries.

Traveloka offers Traveloka Priority, a loyalty programme for customers that helps businesses with customer retention as customers can gain more benefits based on their historical transactions.

A total of
72%
of businesses surveyed agree that Traveloka has helped them with maintaining customer loyalty.

The loyalty programme also helps to increase the booking frequency of each customer as they are able to exchange points from the loyalty programme for new bookings.

Traveloka also plays a role in acquiring customers for its business partners through ease of access from its mobile app and website, which both decreases search costs and emboldens travel decisions, therefore widening user choices on new destinations and properties. For example - one feature offered by Traveloka is the Passenger Quick Pick, which helps customers avoid re-entering their passenger details for every transaction. Additionally, the Price Alerts feature helps customers attain bookings at the desired price. These features aim to increase ease of booking and value for money for customers.

To provide convenience for customers, Traveloka also offers travel insurance that can be added on to any flight bookings ordered through Traveloka at the checkout page and separately from the Traveloka application. To cater to each customer's needs, the insurance offers flexibility in coverage, such as single-trip or annual

registration. By purchasing this, customers can be protected against, or compensated for, flight delays, accidents, medical costs, and lost baggage, with agreed terms and conditions.

The review feature in Traveloka allows customers to rate and give feedback about certain products and services, from accommodation to local Xperience. Direct customer feedback encourages Traveloka's business partners to improve their service quality, thus improving sales. A total of 84% and 82% of businesses surveyed agree that Traveloka has helped them to obtain customer feedback and measure customer satisfaction, respectively.

Traveloka's merchant management system provides businesses with an online dashboard to track their performance. Furthermore, Traveloka provides periodic market insights and performance reviews to business partners



to help assess trends, areas for improvement, and growth opportunities, which comprise of the business' performance review as compared to industry performance, their number of transactions and revenue occurring through Traveloka, and recommendations on where to expand their business based on popular locations. Traveloka also provides businesses with support in lowering their problem rate⁵ to improve the business performance. Certain key partners, selected based on those that generated the most or least revenue in Traveloka, will also be invited for a one-on-one discussion to see what can be done to improve their business. A total of 68% and 75% of business partners surveyed agreed that Traveloka helps them to obtain information about potential new products/services and potential product/service improvement, respectively.

As a result,

68%

of business partners surveyed agreed that Traveloka helped improve and/or innovate existing products and services and 66% agreed it helped introduce new products and services.



I ⁵ Problem rate refers to the number of problematic cases reported by customers out of the total number of bookings.



These features contribute to higher sales for business partners. No fewer than 76% of business partners surveyed agreed that Traveloka helps them earn higher revenue from online sales. On average, businesses experienced an average of 50–75% growth in sales after partnering with Traveloka. A total of 18% of business partners surveyed said transactions facilitated through Traveloka contribute to 21–30% of their total revenue in 2021, while 10% of them said that this figure was 31–40%. Additionally, 94% expect sales made through Traveloka to increase in the next year.

Partnering with Traveloka has also resulted in growth in other ways. Around 41% of business partners surveyed said business growth facilitated by Traveloka enables them to hire more workers, while 69% said they experience higher efficiency, and 37% said they are able to open new branches.



TransNusa

Low Cost Carrier from Kupang, Nusa Tenggara Timur

TransNusa was first founded in Kupang, East Nusa Tenggara in 2005, driven by the founding shareholders of TransNusa's concern about the lack of transportation access to Eastern Indonesia. TransNusa initially operated as a charter airline mainly for resorts in the region and then transformed into a scheduled airline upon receiving the Air Operator Certificate in 2011. TransNusa mainly served regional flight routes in Eastern Indonesia from Kupang, Morowali, Palu, Tarahan, and many other cities. However, falling demands due to the COVID-19 pandemic in September 2020 caused them to cease operations. In October 2022, TransNusa decided to pivot its business to serve Jakarta-Yogyakarta and Jakarta-Denpasar, acknowledging the largely positive recovery in these areas. Bayu Sutanto, the President Director of

TransNusa, said that they will serve East Indonesia again once they consider that the traffic in that region has largely recovered and is commercially viable.

The emergence of travel platforms marked the start of the digital era in the flight industry, leading to a decline in customers booking their travel through conventional travel agents. This trend is what led TransNusa to start partnering with Traveloka in 2017. As of 2022, the majority of TransNusa ticket sales come from Traveloka. Prior to the pandemic, partnering with Traveloka had also contributed almost half of TransNusa's growth in ticket sales.

Traveloka has also helped TransNusa in their operations by providing regular market insights. The information provided such as load factor and market share inspired TransNusa to open a new route from Makassar to Selayar in Sulawesi back in May 2018. Furthermore, since the establishment of the Jakarta-Denpasar and Jakarta-Yogyakarta routes, TransNusa has received support from Traveloka. TransNusa has participated in a joint event with Traveloka to offer discounts and vouchers for their customers. TransNusa has also participated in a livestream hosted by Traveloka that reached an audience of around 13,000 at its peak, which resulted in a surge in TransNusa's ticket sales.



Grandkemang Hotel

One of the oldest hotels in Kemang, Jakarta Selatan

Grandkemang Hotel is one of the oldest hotels in Kemang, Jakarta. It started operating in 1974 as Hotel Kemang, which had 100 rooms. Thirty years later, it expanded into a 203-room hotel and was renamed GrandKemang Hotel. Despite having existed for nearly half a century, GrandKemang Hotel is still actively and dynamically looking for ways to keep up with the current trends. Its customers' need to be able to book online is what inspired Grandkemang Hotel to partner with Traveloka.

Traveloka has helped GrandKemang Hotel to continuously improve to meet the expectations

of its customers and the market. The customer feedback feature acts as a guidance for GrandKemang Hotel to better serve its customers, thereby increasing customer satisfaction. For example, it has followed up on these feedbacks by providing more amenities around the pool area and adding lounge areas in the hotel.

Traveloka also provides routine market insights to support GrandKemang Hotel in an increasingly competitive market. For example, by providing average selling rate information of other hotels in the area, thus helping GrandKemang Hotel to find the suitable room rate to fairly compete and maintain its occupancy rate during low season.

This information has enabled Grandkemang Hotel to optimize its Food and Beverage offerings to its target demographic, as done by GrandKemang Hotel with its ayam geprek and rainbow cake menu which is popular with young customers. It has also inspired Grandkemang Hotel to include a cooking class as a package for those who stay as a family, a common demographic in GrandKemang Hotel during weekends.



Amanzi Waterpark

Case study of an Xperience business partner that experienced growth as Traveloka's partner

Amanzi Waterpark was established in 2011 inside a housing complex in Palembang, South Sumatra. It is a 2.5 ha African jungle thematic waterpark that offers water rides of various difficulty levels that caters to many customer demographics (e.g. adrenaline-seeking water slides, toddler pools), venue for mini events (e.g. mini seminar, outbound activities) and MSME F&B tenants that accommodates Palembang's culinary culture.

Amanzi joined Traveloka during their early year of operation. During the early times, Traveloka supported Amanzi by displaying a billboard on the road specifically for Amanzi to increase its exposure to potential customers. Over the years, Amanzi has also received business insights from Traveloka and participated in several of Traveloka's campaigns, such

as EPIC Sale, which helped to increase its sales. Amanzi Waterpark was significantly impacted by the COVID-19. It had to close down for almost a year in 2020 and four months in 2021, which affected the business' financials despite Palembang experiencing a less significant economic downturn compared to cities in Java. Efficiency measures (e.g. selective labor retainment) and enforcement of health protocols were the other pandemic outcomes that happened to Amanzi.

Traveloka as a partner contributed to Amanzi's business recovery by facilitating online ticket purchases, along with its customer promos. As a result, the highest online ticket sales during the start of pandemic recovery were coming from Traveloka. Sales through Traveloka were also significantly higher than offline sales as Amanzi's marketing was more directed towards online sales. In addition, the digitalization of Amanzi's ticketing allows higher efficiency in inventory management. Customers preferred to buy online tickets to ensure the ticket availability since Amanzi had to cut down its customer capacity due to social distancing. In 2022, Amanzi sales had improved compared to the previous year, though it had not reached pre-pandemic level. In 2023, Amanzi aims to reposition its target market and focus more on the quality of the target market (e.g. tier-one customers) rather than the quantity of tickets sold to obtain profit margin.



3.1 Supportive contribution to accelerate the recovery from the COVID-19 pandemic in the Travel & Tourism (“T&T”) sector

Indonesia’s real GDP dropped by 2.1% in 2020 due to the effects of the COVID-19 pandemic.⁶ Tourism was one of the sectors that was hit the hardest – as seen in 2020, the real GDP of the air transport and accommodation sectors contracted by 53% and 24%, respectively. International tourist arrivals dropped from 16 million in 2019 to 4 million in 2020 (a 75% decrease), and then fell further to 1.5 million in 2021 (a 62% decrease, 90% cumulatively). Domestic tourists’ trips also fell from 722 million in 2019 to 518 million in 2020 (a 28% decrease). Hotel occupancy rates fell from 55% in 2019 to 34% in 2020 (a 21% decrease), with a slight recovery to 36% in 2021, whereas non-star hotel occupancy rates fell from 32% in 2019 to 18% in 2020, rising to 20% in 2021.⁷

Despite this backdrop, Traveloka has found ways to continue supporting its business partners in weathering the challenges of



⁶ Badan Pusat Statistik
⁷ Badan Pusat Statistik



the COVID-19 pandemic. One such initiative is the EPIC Sale, a large-scale marketing campaign initiated by Traveloka even prior to the pandemic, which generally has brought excellent results. Since 2019, Traveloka has organized EPIC Sale events at least once every year (2019 in April and September, 2020 in November, 2021 in March and October, and 2022 in May). More than 140,000 Traveloka business partners have joined these events, in which they offer major discounts for flight tickets, accommodations, and so on.

In 2020, the EPIC Sale event hosted 10,500 partners, with 5.8 million active users participating during that period. This generated traffic that was 250% higher than usual. Traveloka hosted two EPIC Sale events in 2021. More than 83,000 partners and a total of 12 million users participated in the events with more than 100% traffic increase compared to previous EPIC sale in 2020. The most recent one was held in 2022 with 55,000 partners and had 160% traffic growth as compared to the previous EPIC sale in October 2021.

Additionally, the Clean Partner scheme was introduced in 2020 to campaign for the New Normal. Part of the objective was to promote traveling that can be done in a safe and comfortable manner by following the Clean,

Health, Safety and Environment (“CHSE”) protocol, thereby easing some worries on travel conditions held by customers during the pandemic. This is an attempt by Traveloka to support and revive the transportation, accommodation, Xperience and F&B businesses that have been heavily affected by the COVID-19 pandemic. In addition, since the launch of Traveloka Clean Partners with Safety and Health Administration plus (“SHA+⁸”) accreditation in June 2021 in Thailand, participating businesses have seen higher traffic and sales compared to others not registered with the programme. Bookings under the Clean Flight scheme increased by 85%, Clean Accommodation bookings increased by 65%, and Clean Xperience bookings increased by 165%.⁹ Traveloka has assured its business partners of its committed support to help revive the industry amidst the pandemic as 60% of the surveyed businesses agree that Traveloka has helped them navigate the challenges caused by COVID-19 and recover from it. Among them, 47% of the businesses believe that Traveloka has done so by retaining customers through the loyalty program, 85% by promoting their business on Traveloka, and 36% through targeted campaigns.

Traveloka has also provided disaster relief efforts under Traveloka Tanggap, an initiative to support those who were impacted by

⁸ SHA+ is an upgraded version of SHA criteria, in which various businesses, services, and tourism establishments must achieve to ensure that they are ready to serve the public in the new normal. SHA+ (SHA Plus) must follow the same SHA-established protocols, and at least 70% of their staff must be fully vaccinated. Unvaccinated workers are not allowed to have close contact with the guests. Accessed from: <https://www.tatnews.org/2021/06/phuket-introduces-amazing-thailand-sha-plus-certification/>

⁹ Bangkok Post, (2022). Accessed from: <https://www.bangkokpost.com/business/2241267/restarting-tourism-recharging-life>

disaster, including COVID-19 pandemic. This allowed Traveloka users to exchange their Traveloka Points to support in the form of donations, meals, COVID-19 test kits, hand sanitizers, and others to the impacted

communities. Specifically during the COVID-19 period, Traveloka has also collaborated with various partners under this initiative. Some of their achievements are as follows.



1 Support for medical frontliners

- Launched *Berbagi Kebaikan with Traveloka Accommodation*, which was a donation program that allowed users to support medical personnel in two referral hospitals in Jakarta by donating a gift voucher ranging from IDR 50,000 to IDR 5,000,000 used to fund hotel rooms for the medical personnel to rest. This program also helped accommodation partners to stay in the midst of the COVID-19 pandemic, which includes their employees keeping their jobs.
- Provided personal protective equipment (PPE) pieces for medical personnel of Udayana University Hospital in Jimbaran, Bali.



2 Face mask and test kit supports

- Collaborated with PT Angkasa Pura II (Persero) to distribute 4,500 N95 masks to passengers with international destinations in Soekarno Hatta International Airport.
- Distributed 2,000 cloth masks to Traveloka accommodation partners in Jakarta, Bandung, Yogyakarta, Solo, and Bali.
- Donated 5,000 cloth masks to underprivileged communities in Lampung in collaboration with Rotary Club Bandar Lampung.
- Donated IDR 200 million as part of the "Indonesia Pasti Bisa" movement that was initiated by East Ventures to provide 100,000 free test kits.



3 Other collaborations provided via the Loyalty Points program

- Redemption of coupon(s) that can be used by Traveloka users to make a purchase in the curated small local business in Indonesia.
- Donation of nutritious foods and multivitamins for underprivileged communities.

¹⁰ Traveloka, (2020). Accessed from: <https://www.traveloka.com/en-id/explore/news/travelokas-initiatives-related-covid-19/63499>



Jayamahe Easy Ride

Car rental cooperatives that operates in Indonesian major cities

Jayamahe started in 2016 in Denpasar, Bali with a business focus on renting out public transportation vehicles such as buses and intra-city transportation / Angkutan Dalam Kota (“Angkot”). Along the journey, it has expanded its business into a car rental service. It has also expanded its operations to include several major cities in Indonesia, such as Jakarta, Bandung, Medan, Banjarmasin, Makassar, and Labuan Bajo. Some of these expansions are driven by partnerships with other car rental businesses, coordinated under a national car rental business association.

Jayamahe’s decision to partner with Traveloka in 2019 started when it was a supplier for a different business that had already partnered with Traveloka. During this period, it observed that Traveloka

enabled that business to expand, which eventually incentivized Jayamahe to reach out to Traveloka. At the start of the COVID-19 pandemic in early 2020, Jayamahe’s business performance was badly hit, especially due to the drop in international tourists and decrease in customer purchasing power. Several attempts were made to keep the business afloat. Jayamahe shifted its business model to offer transportation service to workers who had been laid off due to the pandemic and forced to go back to their hometown, directed its target market more towards locals instead of foreign tourists, and adjusted its price to be more competitive.

Jayamahe also became a certified Clean Trip partner where it was obliged to fulfill the requirements of carrying out proper medical protocols, such as disinfecting vehicles after every use, providing hand sanitizers, and ensuring that the driver is vaccinated and always wearing a mask. Kadek Sandy Wijaya, Jayamahe’s director, said that participating in this program helped Jayamahe to increase its customers’ confidence in using their services during that tough time. As the pandemic conditions continue to recover, Jayamahe’s business performance has returned to pre-pandemic levels and even reached an unprecedented peak at the end of 2021.





4.0 Economic Impact Assessment

4.1 Contribution of transactions facilitated by Traveloka to Indonesia's economy

The transactions facilitated by Traveloka have an impact on many parties. For example, hotel bookings made by customers will lead to the hotel itself making purchases from suppliers (e.g., the purchase of utilities, food ingredients, laundry supplies, etc.). Such purchases will eventually generate demand (output) and GVA in various sectors. In addition, each sector will also need input in the form of employment (both full-time and non-full-time) to fulfill such demand.

This economic impact assessment estimates the total impact of transactions facilitated by Traveloka on Indonesia's economy, represented in terms of GVA created and employment supported. For the purpose of this assessment, the amounts generated from the I-O model do not include the impact from tourist spending.

Between 2019 and 2022, transactions made via Traveloka facilitated a GVA creation of approximately USD 10 billion. Of this amount, the tourism sector accounted for more than USD 4.5 billion, contributing 2.70% to the sector's GDP. While Traveloka's primary economic contribution is within the tourism sector, its activities also extend to other sectors such as agriculture and energy indicating a broader economic involvement. It is important to highlight that these contributions include all purposes of travel.

The tourism sector in Indonesia, like many other countries, faced challenges due to the COVID-19 pandemic. In response to the pandemic, the Indonesian government introduced travel restrictions and lockdowns to manage the spread of the virus. This led to a significant reduction in tourism activities, affecting various stakeholders, from both online to traditional travel agencies, with a noticeable drop in both domestic and international travel bookings.

By 2021, as the government began easing movement restrictions, there was a gradual recovery in the travel and tourism sectors. In line with this, Traveloka took steps to adapt to the changing environment. The company implemented strict health and safety measures to reassure travelers. Furthermore, with the limitations on international travel, Traveloka focused on promoting domestic travel and staycations, initiating several campaigns to support this direction. This proactive stance by Traveloka, along with the vaccination campaign and program, played a crucial role in supporting the recovery of the tourism sector by 2022.



Table 2. Estimated Employment Impact from 2019 to 2022 - Indonesia

Sector	Employment (in FTE)	Contribution to the employment of the relevant sector/category
Total	365,726	0.28%
Tourism	179,075	1.59%
Agriculture, hunting, forestry, and fishing	87,408	0.24%
Other Economic Sectors	99,244	0.12%

Between 2019 and 2022, Traveloka played a role in supporting the employment sector in Indonesia, especially within the tourism sector. During this period, Traveloka supported employment for about 360 thousand FTEs, which represents about 0.28% of Indonesia's total employment. Within this, the tourism sector saw an average support of more than 179 thousand FTEs, or 1.59% of the employment in this sector. Traveloka's influence extended beyond tourism, supporting an average of approximately 180 thousand FTEs in a myriad of sectors such as agriculture, forestry, and others.

Traveloka's contribution to Indonesia's employment within the tourism sector has been marked by two notable growth trends, which are rooted in three critical factors. Firstly, there has been a surge in the number of transactions made by consumers through the Traveloka platform. Secondly, the economic sectors that form part of Traveloka's supply chain are those that exhibit high levels of employment per unit of economic output. These sectors include the agriculture and retail sectors, among others. Moreover, the growth in Traveloka's primary business line is closely and critically linked to economic sectors that have a high employment multiplier effect, such as the food and beverage sector, which is related to the accommodation business; and the refinery sector, which is related to the transportation business. Lastly, Traveloka has harnessed the strong relationships it has established with its local business partners, including those classified as MSME, which became an important catalyst to develop

innovative products and services tailored to meet the needs of travelers during the pandemic. One such offering has been the promotion of staycations and other domestic travel options, which experienced a surge in popularity during the pandemic due to international travel restrictions. Through this approach, Traveloka has successfully capitalized on emerging trends in travel preferences, enabling the company to tap into previously unexplored markets and expand its range of travel-related services. Given the continued growth of MSMEs and their significant contribution to the Indonesian economy,¹¹ as well as the continued recovery of the tourism industry,¹² it is reasonable to expect that Traveloka has the potential to make even more significant contributions in terms of GVA created and employment supported in the future.

Traveloka undertook an expansion strategy in 2015 to seize opportunities in neighboring SEA nations: Indonesia, Malaysia, Singapore, Thailand and Vietnam. Traveloka first established its presence in Singapore, Malaysia and Thailand, then expanded into Vietnam and the Philippines shortly thereafter.

This geographical expansion was seen by Traveloka as a natural extension of following the travel demand trends of its initial market, Indonesia. As user demand grew, opportunities arose to establish more direct and sustainable partnerships with merchant partners in other regions. This allowed Traveloka to forge deeper relationships with travel partners and provide better service quality for its end

¹¹ Coordinating Ministry of Affairs, (2022). Accessed from: <https://www.ekon.go.id/publikasi/detail/4593/perkembangan-umkm-sebagai-critical-engine-perekonomian-nasional-terus-mendapatkan-dukungan-pemerintah>

¹² Ministry of Tourism and Creative Economy, (2022). Accessed from: <https://pedulicovid19.kemendikbudpariwisata.go.id/pariwisata-indonesia-diprediksi-akan-pulih-sepenuhnya-di-tahun-2025/>

customers. Traveloka also saw opportunities and advantages in targeting the local markets of these countries themselves.

Traveloka has local, on-the-ground teams that interact with each country's business partners, stakeholders, and merchants. These teams serve functions that benefit Traveloka's growth in each specific country, such as providing local-language customer service support, as well as arranging tailored marketing campaigns to match each country's different tastes and customs. Traveloka approaches its expansion by combining its brand with localized messaging. This allows Traveloka to have a high degree of relevance in each market and take advantage of seasonal distinctions where customers may have a higher propensity to travel, such as Vietnam's Tết holiday and Thailand's Songkran festivities.

To optimize its positioning in each country, Traveloka conducts thorough market analyses and research to allow itself to align with consumer demands and the existing industry landscape.

In every market that Traveloka enters, the company aims to go beyond attracting users who are already familiar with online platforms. Traveloka works to catalyze a transformation in the digital landscape, specifically within the travel and tourism sector, while facilitating and simplifying digital adoption for previously offline users, through providing convenience on its online platform.

By immersing itself in local markets, diversifying merchant partnerships, and aligning with consumer demands, Traveloka has strengthened its position and contributed to the tourism sector in these regions.

The number of transactions facilitated by Traveloka is influenced by the economic conditions and activities in each country. The COVID-19 pandemic forced governments to impose restrictions on the mobility of the population, which limited certain economic activities, including tourism. This caused the transactions facilitated by Traveloka, particularly in the tourism sector, to experience a significant decline in 2020. However, with the containment of the spread of COVID-19 through the implementation of health protocols and vaccination programmes, economic activity and mobility in Malaysia, Singapore, Thailand and Vietnam began to improve. Traveloka continues to work towards improving its business performance. As transactions increased, Traveloka's contribution to the economy and employment within the SEA also grew.

Apart from policies designed to contain COVID-19, Traveloka's contribution was also influenced by the economic profile of each country. In Thailand, for instance, the sectors where Traveloka offers its products have a pronounced GVA multiplier effect, resulting in a higher contribution to Thailand's GDP.



5.0 Facilitating financial inclusion

5.1 Credible payment options and financial service offerings available for various customer preferences and needs

Financial Inclusion is defined by the *Otoritas Jasa Keuangan* (“OJK”) or Indonesia Financial Services Authority as the availability of access to various financial institutions, products, and services in accordance with the needs and capabilities of the community.¹³ As of 2021, only

50% of Indonesians above the age of 15 have an account in a financial institution. Only 13% of people above the age of 15 have ever borrowed money from a formal financial institution.¹⁴ Digitizing financial services has the potential to reach billions of people who were financially excluded and underserved populations, as well as to improve access channels for those already served by the formal financial sector.¹⁵

Traveloka provides almost 40 different payment options across SEA through various methods such as Credit card, Direct Debit (Instant Debit), Bank Transfer, Internet Banking, Payment through convenience stores, PayPal,



¹³ Inklusi Keuangan, (n.d.). Accessed from: <https://www.inklusi keuangan.id/halaman/inklusi-keuangan>

¹⁴ World Bank - Global Financial Inclusion

¹⁵ World Bank, (n.d.). Accessed from: <https://www.worldbank.org/en/topic/financialinclusion/publication/digital-financial-inclusion>

and electric money (partner with UANGKU - PT Smartfren Telecom Tbk). A wide variety of payment options facilitates the different preferences of Traveloka customers and allows all types of customers to enjoy the products and services offered by Traveloka.

Traveloka is also the first company to have used the term *PayLater* in Indonesia when it launched Traveloka PayLater in 2018. Traveloka PayLater was developed with the objective of widening access to Traveloka products and services to customers who initially did not have the purchasing power to pay the full price. This is done by enabling the customers to make purchases in advance and pay in the future through short-term financing.

Traveloka PayLater users have the option to pay in installments for 1 to 12 months. Traveloka PayLater users comprise 53% female users and 47% male users. Around 68% of them are within the age group of 25 to 40. The majority of the Traveloka PayLater users come from Jakarta and its surrounding areas (Jakarta Bogor Depok Tangerang Bekasi/“Jabodetabek”) and have a socio-economic status of middle to upper class.

Traveloka PayLater also plays a role in expanding the travel industry as it enables it to capture more customers, especially those that are underbanked who only have access to standard banking services such as savings accounts, but not other financial services (e.g. credit cards). Any Traveloka customers aged over 21

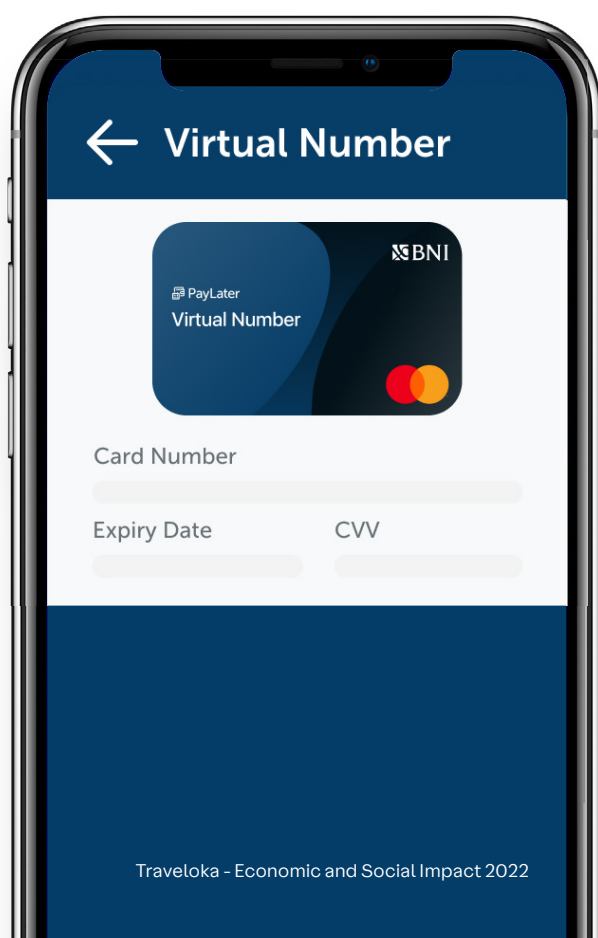
years old with a valid identification card (i.e. *Kartu Tanda Penduduk* - KTP) are in principle eligible to be a Traveloka PayLater user. The registration process to become Traveloka PayLater users is considerably simple but still implementing a discipline Know Your Customer (KYC) principles, potentially opening further access for underbanked customers.

Users have reported several reasons for why they keep using Traveloka PayLater: it is practical as it can be used for various needs; it has a suitable limit and interest rate including for making big purchases; it offers good promotional deals for transactions; and it guarantees secure transactions.

Traveloka PayLater is currently operated through PT Caturusa Sejahtera Finance (CSF), a financing company affiliated with Traveloka licensed by and under supervision of OJK. Traveloka has also partnered with other financial service institutions, such as banks and other fintech lending companies. Traveloka PayLater adjusts its customer loan limit and interest rates for each transaction based on the frequency of Traveloka PayLater use in the account and their punctuality in paying the previous bills.

Traveloka PayLater is not restricted to Traveloka products only. By activating the PayLater account Virtual Number, 10–50% of the users’ limit can be used to purchase goods and services online in selected e-commerce platforms or online stores outside of the Traveloka application and website. For online transactions, Traveloka partnered with PT Bank Negara Indonesia (Persero) Tbk in creating Traveloka PayLater Virtual Number.¹⁶ Furthermore, Traveloka PayLater is also able to be used for offline purchases via QR scans in selected physical stores that have partnered with Traveloka.¹⁷

Traveloka also partnered with Bank Mandiri to develop a co-branded Traveloka Mandiri Card, a credit card with exclusive Traveloka benefits such as Traveloka points, welcome bonus, extra Traveloka point earnings for each Traveloka transaction, and special Traveloka discounts. Users can also get a PT Bank Rakyat Indonesia (Persero) Tbk co-branded Traveloka PayLater Card, with which they can see and monitor their credit card transactions in the Traveloka application. Traveloka’s collaboration programs with banking institutions to promote credit card use is also part of Traveloka’s efforts to help customers to get more access to Traveloka products and services through an alternative payment method which also serves wider access to credit for those who need it.



¹⁶ Traveloka, (n.d.). Accessed from: <https://www.traveloka.com/id-id/travelokapay/paylater-virtual-number>

¹⁷ Traveloka, (n.d.). Accessed from: <https://www.traveloka.com/id-id/explore/tips/belanja-di-mall-pakai-paylater/142093>



5.2 Traveloka offers financing options targeted mainly at its Micro, Small and Medium Enterprises (“MSME”) business partners through PT Caturusa Sejahtera Finance (“CSF”)

Traveloka, through CSF, offers loan/financing options that their business partners can use to finance their day-to-day operational expenses (working capital loans) or to support business expansion and development (investment loans) that could reach up to IDR 1 billion. Working capital expenditures vary from raw material purchases to invoice payments, while investment expenditures vary depending on the sector, such as kitchen equipment for restaurants or vehicles purchased for road transport. Working capital loans tend to be shorter-term than investment loans, which on average vary from one year to five years depending on the type of investment goods purchased.

At the time at which this report was written, CSF would normally take a personal approach in advertising the merchant lending product to its partners. This was in acknowledgment of the proliferation of illegal online loan institutions (i.e. *pinjaman online* - “*pinjol*”) / loan sharks that have made business partners more skeptical of financing offers. Thus, instead of blasting emails which could be mistaken as coming from an illegal *pinjol*, CSF has opted to approach potential borrowers directly.

Many of these potential borrowers are MSME businesses who often lack access to financial services from conventional institutions. Some of them are also located inside traditional markets or small alleys. They are familiar with borrowing capital, although the complex requirements in banks or other legal financial institutions would drive them away from these secure options, and instead rely on illegal *pinjols*. Another factor that comes into play is how aggressive these illegal *pinjols* are in disbursing loans in large amounts, making them more alluring despite having higher interest rates. Illegal *pinjols* would also often ask for documents that are excessive, irrelevant, and potentially not in accordance



with regulations. On top of that, it is often the case that illegal *pinjols* are not transparent with their loan arrangements, leading to borrowers having to pay more than what they originally thought when they applied for the loan.

In contrast, CSF aims to be very clear to potential borrowers about all the costs that they will have to bear if they are to receive the financing. This includes explaining each type of fee, assisting borrowers to calculate the total amount that needs to be paid back periodically, and helping them to assess whether they can pay back the calculated amount given their historical business performance.

There are several requirements for a potential borrower to be eligible for the financing opportunity. For example, they have to have

been Traveloka's partner for at least six months (though this may vary, depending on the potential borrower's type of business). This is done to observe the business behavior, which helps CSF to determine the suitable financing provisions. There is a designated online portal for Traveloka partners who wish to apply for merchant loans where they can submit the required documents. These are relatively standard and in line with regulations and do not differ much from those in other legal financial institutions, such as tax ID number/*Nomor Pokok Wajib Pajak* ("NPWP"), the Deed of Establishment, and business license, among others. The application process from document assessment, physical visit to the business office/stores, until the money disbursement typically takes 5-10 business days, provided that all documents submitted are correct and clear.



Gudeg Jogja Mbak Kris

CSF Loan Borrower from in Jakarta

Gudeg Jogja Mbak Kris is a family-owned MSME F&B business in Central Jakarta. It is a food stall that sells gudeg, a traditional Javanese food from Yogyakarta. Similar to other F&B businesses, the COVID-19 pandemic caused a decline in Gudeg Jogja Mbak Kris's sales, which led to excess stocks. Gudeg Jogja Mbak Kris has utilized a loan facility offered by CSF to help revive the business.

The competitive interest rate offered by CSF, as well as their assistance throughout the disbursement and repayment process, convinced Gudeg Jogja Mbak Kris to seek financial help from CSF. While acknowledging the need for future improvements, the business has successfully weathered the impact of the pandemic and made a smooth recovery with the help of CSF.

5.3 Contribution to national financial literacy

The OECD International Survey on Adult Financial Literacy in 2020 shows that Indonesia scored 13.3 out of a maximum score of 21. This is above the average score of 12 OECD countries,¹⁸ which stands at 13.0. However, when the index score is broken down into each component, Indonesia only scores 3.7 for Financial Knowledge,¹⁹ which is lower than the average score of the 12 OECD countries at 4.6. This implies that crucial concepts that affect basic money management and accumulation of savings (i.e., simple and compound interest rate) may need to be better disseminated.

OJK conducted a national survey on Indonesian financial literacy and inclusion in 2019 and in 2022. There was an increase of 11.65 percentage points in the financial literacy index in 2022 as the index was scored at 38.03% and 49.68%,²⁰ respectively. Financial literacy is defined by

OJK as the knowledge, skill, and confidence that influence the financial attitude and behavior of an individual to increase decision-making quality and financial management, in order to reach prosperity. To further increase financial literacy among Indonesians, the OJK is committed to; 1) utilizing digital technology to increase the financial literacy index; 2) building and improving strategic alliance in the implementation of financial literacy and education programs; and 3) expanding the access and availability of inclusive financial product and services, written as its visions in the 2021–2025 National Strategy for Financial Literacy and Inclusion.²¹

Traveloka Financial Services actively promotes financial literacy for businesses and customers through its social media channels, such as Instagram, TikTok, and the live stream platform in its application. Traveloka's Instagram has released several pieces of educational content related to PayLater and other general financial knowledge, namely: One-time Password



¹⁸ Austria, Colombia, Czech Republic, Estonia, France, Germany, Hungary, Italy, Korea, Poland, Portugal and Slovenia

¹⁹ OECD, (2020). Accessed from: <https://www.oecd.org/financial/education/oecd-info-2020-international-survey-of-adult-financial-literacy.pdf>

²⁰ OJK, (2022). Accessed from: <https://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Documents/Pages/Booklet-Survei-Nasional-Literasi-dan-Inklusi-Kuangan-Tahun-2022/BOOKLET%20Survei%20Nasional%20Literasi%20dan%20Inklusi%20Keuangan%202022.pdf>

²¹ OJK, (2021). Accessed from: <https://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Documents/Pages/Strategi-Nasional-Literasi-Kuangan-Indonesia-2021-2025/Strategi%20Nasional%20Literasi%20Keuangan%20Indonesia%202021-2025.pdf>



(OTP) protection, How to Use PayLater, and threat of fraudulent links in messages; these reached 54,029, 5,847 and 3,767 impressions,²² respectively. On its TikTok account, Traveloka covered the topics of wise use of PayLater, and common personal financial mistakes made by people in their twenties, with 1,659 and 282 impressions respectively, among many others.

Traveloka facilitates multiple payment options for its services, in which the transactions entail different steps depending on which method is being used. In minimizing errors during transactions and ensuring security for its users, Traveloka provides clear instructions in its app. The Traveloka PayLater mechanism allows its users to receive sufficient information on the financing products from PayLater. They will be able to see the interest that will be imposed upon their transactions in their PayLater account and also during the payment stage of their transactions, where they will go over the payment details such as the installment amount and imposed interest. This ensures that a clear agreement has been made between the Traveloka PayLater party and the users. A list of frequently asked questions, along with the answers to these questions, is also displayed on the Traveloka website, allowing easy access for current and potential Traveloka PayLater users to gather sufficient information about Traveloka PayLater.



Furthermore, Traveloka financial services offers financial products such as Insurance (Life Insurance, Health Insurance, Vehicle Insurance, Home Insurance and Travel Insurance) to be purchased through its app and website, providing greater access for customers to purchase financial products and services.

A survey by Manulife Asia Care in 2022 summarized that 83% of Indonesians need insurance protection and 76% had an interest in buying insurance protection.²³ However, OJK reported that the financial inclusion index for the insurance sector in 2022 is 16.33%.²⁴ This implies that, based on the surveyed sample, only 16.33% of the respondents have access to utilize insurance products and/or services in formalized insurance institutions. Traveloka acts as a channel to disseminate publicly available information on insurance in its application, which might help potential customers to gain a better understanding of the products.

²² A digital metric that measures the amount of times a post/ad appears on the web page.

²³ Manulife, (2023). Accessed from: <https://www.antaranews.com/berita/3357012/survei-manulife-sebut-83-persen-masyarakat-indonesia-butuh-asuransi>

²⁴ OJK, (2022). Accessed from: <https://www.ojk.go.id/id/berita-dan-kegiatan/publikasi/Documents/Pages/Booklet-Survei-Nasional-Literasi-dan-Inklusi-Keuangan-Tahun-2022/BOOKLET%20Survei%20Nasional%20Literasi%20dan%20Inklusi%20Keuangan%202022.pdf>



6.0 Fostering digital talent and building a healthy and productive workforce

6.1 Internal initiatives by Traveloka to build a healthy and productive workforce

Traveloka designs its human resource practices based on its three foundational pillars; People, Purpose, and Perks.

To realize all three pillars, Traveloka provides various facilities with the objective of being an employer of choice that provides a healthy and productive working environment.

Traveloka's professional development programs are managed under Traveloka Academy. They offer training courses with a designated learning plan, such as clear learning steps, course descriptions, and course duration. Recently, in 2021, Traveloka Academy launched its learning management system²⁵ as a new tool to support their roles, and specifically to reduce the reliance on manual training.

As a technology-based company, Traveloka focuses its internal digital talents on four core

digital competencies; Data, Engineering, Design, and Product. Robust curriculums for training have been developed and run within these four areas. Recognizable standards within the industry are also applied to the curriculums to foster globally competitive talents. In addition, Traveloka closely monitors the certifications required by regulatory agencies in the practice area to ensure regulatory compliance.

To ensure that the modules reflect what is needed by Traveloka employees to maximize their potential, each business division in Traveloka has an internal expert, known as a Learning Champion, who is responsible for developing more division-specific curriculums. Traveloka also refers to external benchmarks based on globally tested standards, such as the Harvard Manage Mentor program, so that their talent can compete both locally and globally.

To promote a healthy work environment, Traveloka encourages mental and physical wellbeing among its employees by developing a program known as Traveloka Care. This comprises four initiatives, all of which aim to priorities wellbeing and maintain high productivity at the same time. The first initiative is Traveloka House Rules, a set of company rules to set a clear boundary between professional and personal life by optimizing the official working hours. Counseling assistance is also available in groups or individuals, known as the Traveloka Support Hub and Employee Assistance Program, respectively. Group counseling aims to help employees solve problems through collective

²⁵ The learning management system is a software application for the administration, documentation, tracking, reporting, automation, and delivery of educational courses, training programs, materials or learning and development programs

discussions and interactions, facilitated by an expert. At a more personal level, the Employee Assistance Program, a 24/7 counseling facility available online, ensures higher confidentiality where employees are welcomed to share their troubles in both their personal and professional lives with an expert. They may share various concerns such as personal relationships, loss management, personal improvement, work environment and other psychological concerns.

To complement mental wellbeing programs, physical wellbeing programs are also available such as Travel Fit Class. This

is a fitness facility with various exercise activities available for Traveloka employees. Health workshops have also been organized, particularly on the topic of sleep regulation and stress handling by medical doctors.

A fair working environment as a pathway to a healthy work environment is also enforced through the Your Voice Program. This is a platform for employees to voice their grievances such as complaints about fellow employees, office space, and others. The complaints are then filtered to relevant divisions for further actions, such as discussions on the solution.

Building Synergy through Effective Communication

“Building Synergy through Effective Communication became an unforgettable training class as it was the first offline training after the pandemic. The Work Partnership Team impressively delivered the essential part of the material by elaborating on the effective methods, which the participants found to be insightful and enjoyable. The goal of the training was successfully achieved as I got to better understand the behavioral and communication style for myself, the stakeholders, and the client/partners in order to become a more impactful contributor, create more effective results within and through my team, and achieve synergy together.”
- Agus Wijayanto, Traveloka's Market Management Accommodation Team.

Building Business Acumen

“Building Business Acumen was a two-day course held by Traveloka. Every course began with a simulation or game. It was emphasized that the goal of the course is not only for practical skills, but also to change our mindsets. The course is aimed to:

- 1 Understand the basic building blocks and how a company generates revenue
- 2 Decide what to do in a day-to-day business

By the end of this course, participants are expected to: share the same business language, be able to do agile spotting, acquire business knowledge, and to sense the big picture of a business.

Through this course, I managed to understand the foundations of business acumen, which are strategy and collaboration-oriented mindset. It is the ability to see from others' perspectives and work towards them. It alters my mindset towards how I define my presence and give impact to the company, as well as sharpening my intuition to be a leader.” - Iqbal Ridalta, Data Analyst, Traveloka's Accommodation Team

6.2 External healthy and productive national workforce in the country through support for objectives set out by the the Government of Indonesia (“GoI”)



Digital transformation is planned to be applied to three layers of the community in Indonesia; government (digital government), businesses (digital economy) and society (digital society). Digitalization provides everyone with the opportunities to develop their businesses, their institutions, or themselves as individuals. However, a large digital access disparity within the community, known as the digital gap, may lead to other issues, such as a shortage of digitally skilled labor and a large pay gap. To ensure inclusivity in digital transformation, the government wishes to promote digital literacy and digital talent.²⁶

In 2019, members of the Indonesian workforce with digital skills were estimated to have contributed to 6% of the Indonesian GDP and by 2030 they are predicted to contribute to 16% of the Indonesian GDP.²⁷ A comparative study with 2018 data shows that Indonesia is ranked third out of eight ASEAN countries for its average digital literacy level at 20.5, which was below Singapore at 24.6 and Thailand at 24.0.²⁸ Digital literacy refers to the users' ability to utilize technology wisely and to create a positive impact in interaction and communication.²⁹ To reach the predicted GDP contribution and maintain or increase Indonesia's digital literacy rank among ASEAN countries, initiatives by other parties may be needed to support the Government's programs. This is based on the Indonesian Digital Literacy Index which showed only a very slight increase in 2021 at 3.49 out of 5 in 2021, a 0.87% increase from its previous score of 3.46 in 2020.³⁰

Traveloka has demonstrated its commitment to helping the GoI to develop and sharpen Indonesia's digital talents through the Bangkit Program and the Mitra 5.0 Program. This is aligned with the GoI's goal to reach 15 million digital talents by 2035 and is hoped to prepare Indonesia to transition into the 4th Industrial Revolution.

Traveloka participated as one of the industry partners in the Bangkit Program, which is a Google-led collaborative education program, along with other leading tech companies. This partnership includes Traveloka's involvement in supplying 13 contributors for the program, with the main task of guiding the participants along the program. Contributors from Traveloka taught 13 Bangkit classes (around 10% of all classes) and led 33 Bangkit mentoring sessions (around 17% of all sessions delivered by industry partners). The Bangkit Program is part of the Kampus Merdeka program run by

²⁶ Coordinating Ministry for Economic Affairs, (2020). Accessed from: <https://ekon.go.id/publikasi/detail/330/transformasi-digital-yang-inklusif-turut-percepat-pembangunan-berkelanjutan>

²⁷ CSIS Indonesia, (2022). Digital Literacy and Skills Toolkit Implementation in Indonesia: Experience and Lesson Learned from Small Survey

²⁸ Kusumastuti A. and Nuryani, A., (2020). Digital Literacy Levels in ASEAN (Comparative Study on ASEAN Countries)

²⁹ Ministry of Finance, (2022). Accessed from: <https://www.djkn.kemenkeu.go.id/kpknl-semarang/baca-artikel/15761/Pentingnya-Literasi-Digital-Bagi-Pegawai.html>

³⁰ Ministry of Information and Communication, (2022). Accessed from: https://www.kominfo.go.id/content/detail/39488/siaran-pers-no-15hmkominfo012022-tentang-budaya-digital-membaik-indeks-literasi-digital-indonesia-meningkat/0/siaran_pers

the Ministry of Education Culture Research and Technology in Indonesia with the objective of producing digital talents in Indonesia who are able to understand, master, and utilize technology.

Around 63,000 university students applied for the Bangkit Program 2022 and 3,100 highly qualified students were selected and participated in the digital training program for six months

which consisted of 900 learning hours of comprehensive lessons in Machine Learning, Mobile Development, and Cloud Computing. To complement lessons in digital hard-skills, soft-skills such as Project Management were also included in the curriculum. Participants could leverage the knowledge that they got from this program to be Google-certified.

In the Bangkit Program 2022, around 500 startup projects were developed as teams and the top 15 projects were then be selected where the teams will follow an incubation program and receive collaborative funding from Google and Kerja Sama Dunia Usaha dan Kreasi Reka (“Kedaireka”) by Kampus Merdeka.³¹ In addition, Traveloka also offers the Capstone Project, a platform for the participants to implement the knowledge acquired during the program, with mentorship from Traveloka employees. At the end of the program, participants are also offered internship opportunities at Traveloka. Around 14 participants of the program have been selected as Traveloka interns and four of them have been promoted to full-time employees.

Due to the support of the Ministry of Education Culture Research and Technology, the Bangkit Program is expected to scale up in the next



³¹ Ministry of Education, Research and Technology, (2021). Accessed from: <https://dikti.kemdikbud.go.id/kabar-dikti/kabar/kemendikbudristek-kolaborasi-dengan-google-hadirkan-kembali-program-bangkit-2022/>

batch with an aim of reaching around 12,000 participants, which is triple the quota of the past three Bangkit Program batches. To accommodate this quota rise, Traveloka is committed to increasing the number of mentors by 67%.

Together with the Indonesian Ministry of Village/Underdeveloped Areas, Traveloka has also established a Digital Tourism Training program for several key government officials in Tojo Una-Una, Sulawesi Tengah in order to support the Indonesia government's goal of revitalizing the local tourism industry. Traveloka also partnered with government-backed digital literacy program, Katalis, to equip 100,000 Indonesians with basic technology and digital skills over a five-year period.

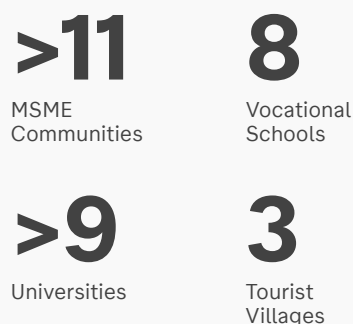
MITRA 5.0 was a collaborative program between Traveloka Academy and Monash University Indonesia with tech curriculums co-designed by both parties. The main aim of the program was to bridge the gap between education in college and the skills required in the workforce. This program ran from June to July 2022 for a total of seven days spread across four weeks. MITRA 5.0 aimed to develop Indonesia's human capital by building a digital talent pool and form a strong partnership between three parties; academia (Monash University Indonesia), industry (Traveloka Academy), and government (Indonesia - Australia). It was a capacity-building program targeting academics from both private and public universities in Indonesia as participants, especially from the faculty of Engineering/Computer Science/Information Technology (including Data Science); Business/Economics/Social Sciences; and Design.

Academics were designated as the target participants due to the expected multiplier effect of passing the knowledge gained during this program to their students. The modules covered various lessons from General Digital Roles in Traveloka, Product Development Cycle & Sprints, Product Engineering, Data Analytics, Digital Product Management, to Digital Product Design, among others. The modules were delivered in person and online in the form of presentations, webinars, and case-study discussions. In addition, workshops were also provided to stimulate students' participation in universities, such as Design Thinking Workshops. As the program partner, Traveloka dispatched 12 of its employees from various units, such as Digital Product Design, Data Analytics, and Human Resource, among others. Ten of them became the speakers for the program, while one of them was the education consultant and another one was a program team member. Furthermore,

seven representatives from Monash University Indonesia also contributed to the program. A total of 61 participants from 40 universities across seven provinces in Indonesia were selected in the first cohort of MITRA 5.0 who then participated in capacity building on Product and Digital lessons, to transfer knowledge to the students from these universities.³²

To provide learning opportunities to the general public of differing backgrounds, Traveloka collaborated with Hasta Inc. to arrange Travedu Fest. This was a one-day digital and financial literacy festival held in three different cities (Solo, Yogyakarta, and Tangerang Selatan) in November and December 2022. The objective of the event was to raise awareness and knowledge about digital and financial literacy, along with its social impacts among communities, MSMEs, and students. This was done in hope of increasing Indonesia's ability to compete against other countries in terms of digital and financial literacy. Traveloka and Hasta Inc. worked together in developing modules, marketing the events, running the events, and evaluating the event through post-event reports. A total of 863

Figure 4. Participants of Travedu Fest 2022 - classified by categories



participants attended the event and can be broken down into the following categories: To assess the effectiveness of the program, participants were given tests before and after the event. The results indicate that there was a 74% increase in awareness and basic knowledge of digital and financial literacy among participants. This output has exceeded the target, as the event initially aimed to generate a 50% increase in awareness and basic knowledge after the event.

Traveloka also continuously provides support for the digital skills improvement³³ of its business partners. Traveloka holds online

³² Monash University Indonesia, (2022). Accessed from: https://www.monash.edu/indonesia/industry-partnerships/mitra5.0#tabs__2852430-06

³³ Digital skills refer to a range of abilities to use digital devices, communication applications, and networks to access and manage information. This includes the ability to use gadgets and laptops/PC and knowledge in cybersecurity, digital marketing, virtual communication, etc.

onboarding training activities where it helps the partners to understand how to operate the Traveloka app and system as a partner and the online dashboards (i.e Traveloka Extranet (TERA), Access for Business (AXES), and TRIP that monitors their business metrics. After the training, a market manager will be designated for the business partners as the contact point for questions, thus ensuring a smooth transition for the business partners. 68% of the businesses surveyed agreed that Traveloka enables their employees to use and improve their digital skills.

Indonesia has experienced two peak periods of COVID-19 cases: one from the Delta variant in July 2021; and the Omicron variant in February 2022. Between mid-June to late August, Indonesia is recorded to have had more than 10,000 new cases daily and reached 30,475

daily cases on average in certain periods. The peak of COVID-19 cases for the Delta variant was observed during the week of July 12, 2021 where 350,273 COVID-19 cases were confirmed in Indonesia, which was 9.76% of the confirmed global COVID-19 cases during the same week.³⁴ One of the reasons for the peak COVID-19 cases was the low vaccination rate in Indonesia (for full vaccination), which was reported to be at 3.88% on June 1, 2021 and 7.48% on August 1, 2021.³⁵ Meanwhile, the peak of COVID-19 cases for the Omicron variant was observed during the week of February 14, 2022, when 389,727 COVID-19 cases were confirmed in Indonesia, taking up 3.02% of confirmed global COVID-19 cases during the same week.³⁶

During these times, Traveloka had the initiative to develop vaccination centers in four different regencies; Central Jakarta, West Jakarta, South Tangerang, and Yogyakarta. One of them was done in collaboration with the Ministry of Health of Indonesia, Port Health Office, and Angkasa Pura II for the second vaccination dose in Soekarno-Hatta International Airport.³⁷ It was held for two weeks in August 2021 and was targeted at 1,000 daily shot receivers.³⁸ In accelerating the delivery of the first booster vaccination dose, Traveloka also collaborated with the South Tangerang local government, the Ministry of Health, and United States Aid for International Development (“USAID”) in arranging another Traveloka COVID-19 Vaccination Center in Swiss-Bel Hotel Serpong, South Tangerang for almost a week between February and March 2022 with a target of 6,000 shot receivers.³⁹



Figure 5. Number of Vaccines Given in Traveloka Vaccination Centers

	First Dose	Second Dose	First Booster
West Jakarta	20,476	13,580	-
Central Jakarta	1,494	1,431	-
South Tangerang	5,875	4,900	6,129
Yogyakarta	11,516	7,420	-

³⁴ World Health Organization - covid19.who.int

³⁵ Tenda, E.D., et al., (2021). The Covid-19 Surge in Indonesia: What we learned and what to expect

³⁶ World Health Organization - covid19.who.int

³⁷ Traveloka, (n.d.). Accessed from: <https://www.traveloka.com/en-id/promotion/vaksin-cgk>

³⁸ Kompas, (2021). Accessed from: <https://money.kompas.com/read/2021/08/12/130400126/bandara-soetta-layani-vaksinasi-dosis-kedua-ini-cara-daftarnya-via-traveloka?page=all>

³⁹ S Suara.com, (2022). Accessed from: <https://www.suara.com/pressrelease/2022/03/01/183242/gandeng-usaid-traveloka-sentra-vaksinasi-booster-covid-19-hadir-di-tangerang-selatan>



7.0 Supporting social inclusion

7.1 Exposure of local businesses to promote local markets, local tourism, and local heritage

Wider customer access could help increase the exposure of local heritage among tourists from other regions or countries, as well as Indonesian tourists who travel abroad. This is substantiated by the survey finding where 67% of the businesses surveyed that are based in less popular destinations⁴⁰ experienced positive trends in visits to their businesses and 77% of the businesses surveyed agreed that Traveloka has helped them promote domestic tourism. In addition, 62% of the businesses surveyed agreed that Traveloka has helped increase their competitiveness against businesses in other destinations. A study discusses the possibility of increased tolerance to diversity

due to exposure to multiple cultures,⁴¹ thus supporting the importance of exposure to local tourism as facilitated by Traveloka.

By partnering with Traveloka, businesses in various regions can reach cross-border customers, including those outside of Java and Bali. Among the businesses surveyed, 18% are located outside of Java and Bali, where 68% of them stated that they were able to obtain customers outside their province and 25% of them were able to obtain customers outside of Indonesia. Around 86% of them also agreed that Traveloka has helped them promote their products and services. Hence, they are supporting the local market and tourism, which may have been limited prior to digital customer access.

In 2020, 84% of domestic travelers opted for provinces in Java and Bali as their travel destination.⁴² To promote tourism for other



⁴⁰ Less popular destinations are all other provinces outside of Java and Bali. Based on Badan Pusat Statistik Indonesia, 84% of total domestic tourists traveled to the two mentioned islands and hence they are considered as popular destinations

⁴¹ Chao, M.M., Kung, F.Y.H., and Yao, D.J. (2015). Understanding the divergent effects of multicultural exposure. *International Journal of Intercultural Relations*, 47, 78–88. Doi: 10.1016/j.ijintrel.2015.03.032

⁴² Indonesian Statistics – Badan Pusat Statistik Indonesia

provinces in Indonesia, the GoI is currently conducting a project named as 5 Super Priority Travel Destinations (“5 Destinasi Wisata Super Prioritas”). The five destinations are; Borobudur (Central Java), Lake Toba (North Sumatra), Likupang (South Sulawesi), Mandalika (West Nusa Tenggara), and Labuan Bajo (East Nusa Tenggara). The project aims to develop the facilities in the five chosen areas to prepare them to be the next popular tourism destinations.

Based on the data from the Ministry of Cooperatives and SMEs of Indonesia in 2018, MSMEs occupy the majority of the Indonesian business landscape, which covers 99.99% of all the businesses in Indonesia. MSMEs are also known to be the backbone of the Indonesian economy as they contribute 61.07% of the national GDP and encompass 97% of employment.⁴³ Traveloka enables businesses in all the countries of their operations to partner with them, regardless of their size and location. For example, out of approximately 12,000 accommodation partners in Indonesia, 27% are located outside of Java and Bali, and among those business partners, 33% are MSMEs.⁴⁴ Around 90% of car rental partners are MSMEs. Traveloka has set up certain

initiatives to promote and/or support its MSME business partners. One of them is directed at providing opportunities for its MSME partners to promote their products through Traveloka discount events (e.g., EPIC Sale) and live streams hosted on Traveloka’s official account.

Of businesses surveyed that are MSMEs, 91% agreed that Traveloka has helped them to reach more customers. 68% stated that being Traveloka’s partner has allowed their business to reach customers outside of their own province, while 26% stated that they were able to reach customers outside of their own country. Around 85% agreed that Traveloka has helped them to: 1) Reach customers from different segments; 2) Obtain customer feedback; and 3) Measure customer satisfaction.

75%

also agreed that Traveloka has helped them to earn more revenue from online sales.



Leuweung Geledegan Ecolodge

Environmental-based glamping in Bogor

Leuweung Geledegan Ecolodge is a glamping accommodation site in Bogor. The name “Leuweung Geledegan”, which is “Hutan Belantara” or jungle in Sundanese, is inspired by its proximity to *Taman Nasional Gunung Halimun Salak*, a national park in the region. With a total capacity of 338 people, Leuweung Geledegan markets itself as an environmentally friendly lodging.

Leuweung Geledegan offers a sense of tranquility by allowing people to get away from the rapid and bustling routine of the urban life in the capital city, especially with its being located only 1.5–2 hours away by car. It has thoughtfully incorporated its natural potential into its business model and operations. It offers “Tour

the Jungle” packages where visitors can explore the forests surrounding the foot of Mount Salak. Not only is this a refreshing experience for urban dwellers, it can also be an educational one, as the tour guides also share knowledge about the type of trees encountered and the history of the forest itself. The same goes for the orchard, where visitors are offered the opportunity to improve their gardening skills by learning how to tend fruits and flowers throughout their life cycles.

Sustainability is something that Leuweung Geledegan is committed to continuing to improve on. As of now, 60% of the establishment is dedicated to green areas that are populated with large trees. Additionally, it has taken several efforts to minimize environmental damage, such as by composting its herbage litter, first-layer sorting and processing its kitchen waste, and designing its tents on legged boards to maintain the water catchment area.

Leuweung Geledegan’s partnership with Traveloka started in 2020 when a team from Traveloka requested to record a video on their premises. This encounter soon led to a partnership. Leuweung Geledegan believes that Traveloka has brought it additional value through extra exposure from Traveloka’s wide customer base and by the possibility of participating in Traveloka’s various promotional programs.

⁴³ Ministry of Finance. (2020). Accessed from: <https://www.djkn.kemenkeu.go.id/artikel/baca/13317/UMKM-Bangkit-Ekonomi-Indonesia-Terungkit.html>

⁴⁴ Traveloka’s accommodation partners categorized as MSMEs comprise apartments, bed and breakfasts (B&Bs), boats, camping locations, guesthouses, homestays, hostels, private vacation homes, and villas in Java.

7.2 Empowering women workers and women-led businesses

Traveloka values diversity in its business model and human resource composition. Among the Indonesian labor force, 39% are women and 87.4% have an education attainment level up to high-school graduates.⁴⁵ Diversity in leadership is a particular interest of Traveloka, which led to the creation of the Women Mentorship Program. The program's first pilot run was on 7 September-31 December 2022. The inception of this program was driven by the lack of representation of women in Traveloka's leadership positions, as only 38% of employees at managerial level and above were women, despite Traveloka having a nearly equal women-to-men ratio at 45%-55% in its total workforce. However, the proportion of women in Traveloka has in fact surpassed the average percentage of women working in the Indonesian technology sector, which was 22% as reported by TechinAsia in 2020.

This program allows women employees at the senior level to mentor women employees

at the junior level. The main objective of the program is to inspire and encourage women employees to step up further and aim for higher opportunities, with the support and experience of those who have already done so. This is also an attempt to attract and retain talents among women across Traveloka as the tech industry can be more rigorous than other industries. Women employees may receive more solid support if it comes from their mentors of the same gender. This is because women employees are not as common in the industry and thus may experience different difficulties compared to men employees.

Eight women mentors of varying expertise and backgrounds will provide an hour of mentorship every two weeks for three months. Each mentee will engage with specific mentorship topics they are passionate about, mentorship goals and aspirations, as well as their expectations. Through this program, it is hoped that mentees will be able to gain insights on personal and professional growth, improve their networking and influencing skills, increase their personal learning, and build individual engagement. All women employees are welcomed to apply, although priority will be given to those who fulfill the requirements (i.e., minimum job grade, not enrolled in other mentorship programs, etc.). Mentee applicants are allowed to select their preferred mentors. A matching process will be done based on the mentee applicant's preferences, job grade, line of work, marital status, geographic location, goals, motivation, as well as insights from the mentors themselves.



A total of

46%

women employees, or 20% of the eligible applicants, applied for the first pilot batch and 32 mentees were selected. The majority of the mentees are between 26 and 35 years of age and are of Indonesian nationality.

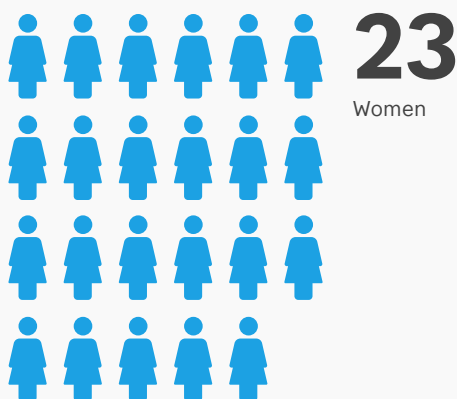
⁴⁵ Badan Pusat Statistik, (2022). Kadaan Angkatan Kerja di Indonesia Februari 2022

Figure 6. Age Distribution of Women
Mentorship Program Participants

Age < = 25



Age of 26 - 35



Age of 36 -45



Age > = 46



Traveloka also offers non-discriminatory opportunities by enabling business founders of differing backgrounds to partner with them irrespective of the gender and education attainment of the business founders. This includes Small and Medium Enterprises, as women-owned businesses make up 51% and 34% of small and medium businesses, respectively.⁴⁶ Among the women-founded businesses surveyed, 92% are micro businesses. Around 85% agree that Traveloka has helped them to: 1) promote their products and services; 2) reach more customers; and 3) obtain higher revenue from online sales. A total of 62% of these businesses also claimed that Traveloka helped them gain customers outside their cities/provinces, while 23% claimed they had gained customers from outside of their countries. Additionally, 20% of the respondents have an educational attainment level of up to that of a high-school graduate.



Accordia Dago Hotel

Woman-led Budget Hotel in Bandung

Accordia Dago is an MSME hotel located in Bandung. Luciana, the founder, started her accommodation business renting dormitories or *kostan* while juggling her main occupation in the professional industry at the time. Using the business experience she had gained, she later decided in 2011 to expand into the budget hotel business. That is when Accordia Dago was born.

Despite the COVID-19 pandemic distorting the hospitality industry during its peak period, Accordia Dago managed to stay in operation without any employee layoffs. However, a reduction in working hours had to be implemented due to significantly lower occupancy rates and business income. Accordia Dago partnered with Traveloka in 2015, four years after Accordia Dago's establishment. The seven-year long history between Accordia Dago and Traveloka has contributed significantly towards Accordia Dago's development. As of now, a significant portion of its online bookings through OTAs are from Traveloka. Promotional programs such as the Epic Sale, Flash Sale, and PayDay have been very helpful in boosting sales, especially during periods of lower occupancy rates. Extranet (TERA), Traveloka's application for its business partners, provides Accordia Dago with convenient access to various market insights at its fingertips.

Accordia Dago has also benefited from programs from Traveloka that have provided visibility boosts through the Traveloka application and website, as well as other benefits, in return for certain advantages such as guaranteed rooms for Traveloka for a certain period of time. The program allows potential additional traffic through higher exposure in Traveloka, which may lead to more bookings, while also strengthening the relationship between Traveloka and Accordia Dago.

⁴⁶ International Finance Corporation, (2016). Women-owned SMEs in Indonesia: A Golden Opportunity for Local Financial Institutions

7.3 Contributing to local communities

On top of ensuring inclusivity among its partners and employees, Traveloka has also introduced several initiatives for the wider community. Some initiatives enable users and partners to be involved in delivering the outputs of the initiatives, such as the

portion of profit that is donated for every transaction in Traveloka or participation from partners in providing the initiative facilities for beneficiaries. The types of initiatives include natural disaster reliefs, pandemic assistance, and donations to vulnerable groups in selected SEA countries within Traveloka's operational range (i.e., Singapore, Malaysia, Indonesia, Thailand, and Vietnam). Some of these initiatives are described as follows:

Figure 6. Traveloka Corporate Social Responsibility Initiatives in Selected SEA Countries



12.12 Super Lifestyle Donation

Traveloka Singapore had a collaboration with Blessings in a Bag for a fundraising campaign. Traveloka pledged a donation of SGD 2 for each transaction made during its 12.12 Super Lifestyle Sale, which ran from 29 Nov to 12 Dec 2021. Children aged six to 17 years old from Singapore's most vulnerable areas and low-income families will have the opportunity to enjoy at least 12 curated experiences and tours across Singapore, including trips to Snow City and farms. By the end of the campaign, it raised a total of SGD 18,560.

The Social Kitchen Meals Distribution

Traveloka Singapore had a collaboration with The Social Kitchen (TSK) to distribute 1,000 plant-based meals and Traveloka Hotels and Xperience vouchers worth SGD 35,000 to frontline workers in Changi Airport on July 14, 2021. Traveloka Singapore further collaborated with TSK on 6 December 2021 by distributing 1,000 healthy meals and Traveloka vouchers worth SGD 80,000. This donation was targeted at medical workers in the Bright Vision Hospital, Singapore General Hospital and Kembangan Chai Chee (Marine Parade GRC).



Medical Heroes Appreciation Campaign

Traveloka Malaysia collaborated with the Malaysia Healthcare Travel Council (MHTC) and the Malaysian Medical Association (MAA) to launch the Medical Heroes Appreciation Campaign ("MHAC") in June 2020.

It was developed with the objective of rewarding medical workers for their dedicated work during the pandemic. During the strict lockdown in Malaysia, only medical workers were allowed to travel and hotels were doing

poorly. Traveloka worked together with partnering hotels to create promotional deals offering up to 40% off for medical workers with the Buy Now Stay Later feature

MHTC and MAA assisted Traveloka by providing hospital contacts and guide doctors and nurses to allow them to register with Traveloka to be eligible for the deals. By the end of the program in December 2020, Traveloka had managed to get 250 hotels on board with the program and received almost 2500 registrations from the medical workers.



Indonesia PASTI BISA

Traveloka Indonesia participated in the Indonesia PASTI BISA movement in March 2020. Traveloka donated 200 million IDR to the crowdfunding platform initiated by East Ventures to provide 100,000 free test kit RT-PCR. This is a specific test kit developed by Nusantara as one of the COVID-19 task forces in Indonesia. This movement to support COVID-19 detection in the country.

Traveloka Tanggap Palangka Raya

Forest fires in Palangka Raya, Central Kalimantan released hazardous haze within and around the city in 2019. Traveloka partnered with Ranu Welum, Borneo Nature Foundation and Kopernik to distribute the aid. Traveloka Tanggap as one of Traveloka Indonesia's CSR programs, contributed by donating 1.2 billion IDR to the victims in the area and its surroundings. This program involved Traveloka users by enabling them to exchange their Traveloka points for donations to the program, which ran from 25 September to 2 October 2019.



Free Rides for COVID Patients

Program Traveloka Thailand partnered with Joy Republic Bangkok by providing free and discounted car rental rides for COVID patients to get to the hospital or for those who wished to go to a vaccination center. Throughout the program from September to November 2021, a total of 30 rides were provided for Zendai and Rao Tong Rod, a covid response volunteer group and community isolation center in Bangkok, respectively.

Pun Sook Goodwill Bags Distribution⁵⁶

In 29 June 2021, 1,000 Pun Sook Bags worth 100,000 THB were donated to the homeless who were affected by the COVID-19 pandemic by funneling it through Issarachon Foundation. Funds to arrange these bags were generated from a portion of flight ticket sales that were purchase during the two week period “Stay Home First, Then Explore the World” Traveloka Thailand campaign. The bags contain essential needs such as food supplies, personal care products, medicine and clothing to help the homeless feel at home again. The bags were distributed to Bangkok areas such as Rajdamnern Avenue, Democracy Monument Area Wang Burapha, Trok Sake community, Victory Monument area and Rajvidhi area.



COVID-19 Vaccine Fund

On 30 June 2021, Traveloka Vietnam donated 21,700 USD to the Front Fatherland Community of Ho Chi Minh City and 10,000 USD to the Government of Vietnam, respectively. The donate funds will be used to purchase COVID-19 vaccines to be distributed to Vietnamese citizens.

Fly Medical Workers Home Traveloka

Vietnam partnered with Vietnam Airlines to provide free flights from Ho Chi Minh Ci to Nghe An Province for 60 medical workers on 17 September 2021. This program aimed to help medical workers reunite with their families after joining the frontline workforce in Ho Chi Minh City during the COVID-19 pandemic in July 2021.



⁵⁶ Traveloka, (2021). Accessed from: <https://www.traveloka.com/en-id/explore/news/traveloka-donates-1000-pun-sook-bags-to-the-homeless-affected-by-the-covid-19-pandemic/88740>



8.0 Promoting sustainability

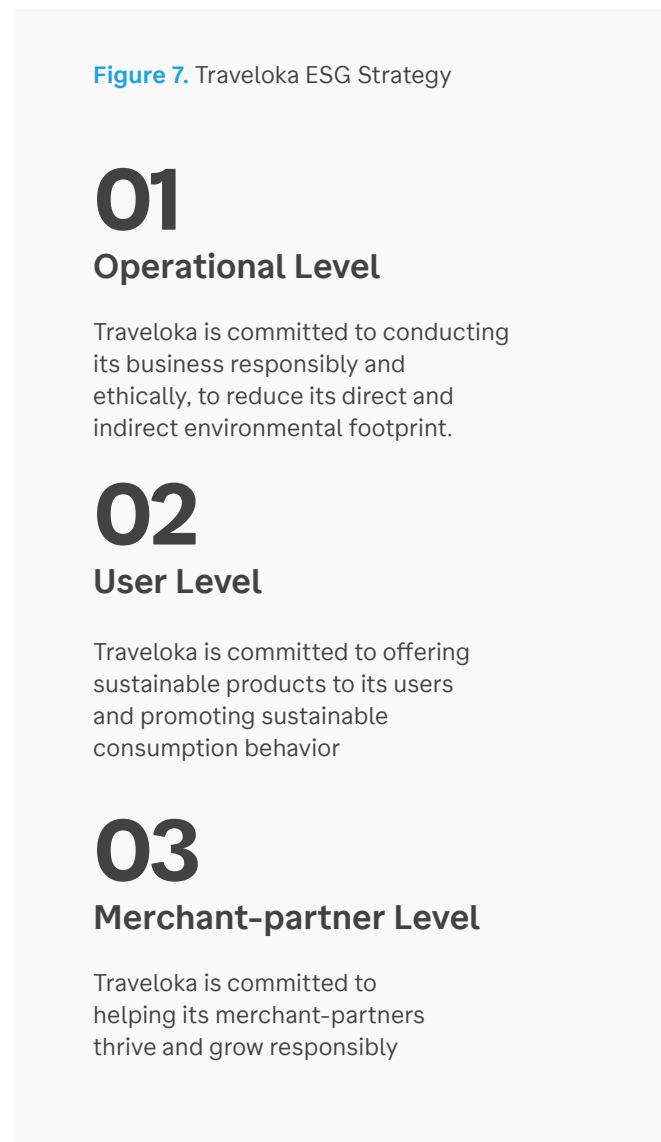
8.1 Commitments to ensure Traveloka operates in a responsible and ethical manner

Traveloka has set itself the goal of becoming the most sustainable technology company in SEA. It aims to obtain the best ESG rating from Sustainalytics and MSCI among its regional competitors by 2024. To accomplish this goal, it has implemented a three-pronged strategy:

At the operational level, Traveloka is currently developing a carbon emission reduction plan and a reduction target with the help of a third-party provider, an international organization that helps other organizations, governments, and companies with emission reduction projects and strategies. The goal is to obtain a Climate Neutral Label by 2023. To achieve these goals, Traveloka is committed to offsetting its carbon emissions in two ways: carbon credit purchase to be started in 2023; and mangrove tree planting in Bali that started in early Q2 of 2022.

Carbon credit purchase is an internationally recognized approach for an organization or company to compensate for its carbon emissions by funding projects that reduce the need to burn fossil fuels or draw greenhouse gasses directly out of the air with the objective of combating climate change and building healthy and prosperous communities.

As part of Traveloka's sustainability efforts, Traveloka collaborated with multiple organizations for mangrove planting programs and planted 50,000 mangrove trees in total. Traveloka teamed up with Sahabat Pulau Indonesia, a youth action-based organization focusing on coastal issues, to plant 10,000 mangroves in Mandalika starting from June 2021 to June 2023 to support ecotourism



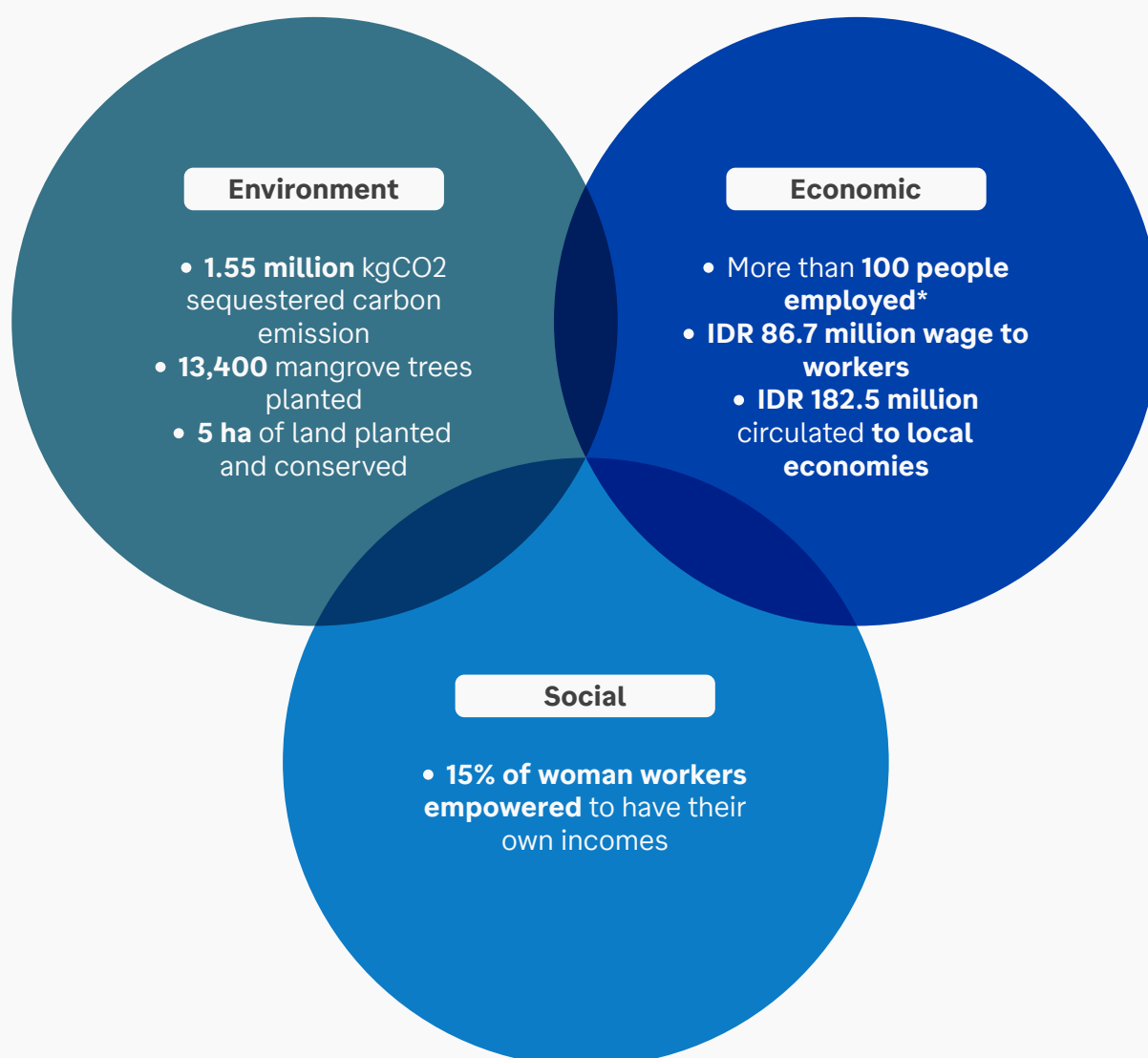
sustainability. It is an initiative that covers mangrove seedlings planting as well as a two-year mangrove preservation process involving local communities. During the commemoration of International Mangrove Day in July 2022, college students and the local youth communities were also involved in the planting activity. It is hoped that through this partnership, the mangrove

plantation could curb the abrasion rate and maintain the quality of coastal ecosystem as well as marine biota in the long term.

Mangrove tree planting was also done in Bali under the “Pahlawan Pohon” or “Tree Hero” program, in collaboration with the World Resources Institute Indonesia (WRI Indonesia) and two other non-government organizations. It is a year-long awareness raising program in the form of an online game within the Traveloka app, where it has a group mission with the aim of introducing mangrove conservation and sustainability to Traveloka users. Around 29,000 people had joined the group mission

from March to November 2022 as participants without any monetary expenditures, where the majority of them (83%) were from Java and were aged between 21–40 (72%). By the time this report was written, 40,000 mangrove trees had been planted with the participation of a group of Traveloka employees. The environmental impact was estimated using the methodology recommended by the UNFCCC and IPCC to calculate the carbon removal from tree planting activities. The estimated positive environmental, social, and economic impacts for 40,000 mangrove trees in approximately five years after the planting are as follows:⁴⁸

Figure 8. Measured Impact of *Pahlawan Pohon* Collaborative Program



Note: *employment of participation throughout the planting process



In 2021, Traveloka moved to Traveloka Campus, its new headquarters located within the Green Office Park complex in BSD, Tangerang. It is designed with the concept of green living in mind.

Traveloka Campus is the Gold Winner for FIABCI Indonesia REI Excellence Awards 2020 and has obtained Gold certification from Green Building Council Indonesia (“GBCI”).

The building has several features that support its achievement of the Gold rating as seen in Table 3.

Table 3. Green Features of Green Office Park Building

No.	Criteria	Features of Green Office Park Building ⁴⁹
1	Appropriate Site Development	The area around the building is surrounded by large trees to ward off pollution and vehicle noise. Pedestrian area is also lined by plants to reduce thermal heat from the sun and increase shades in the area.
2	Energy Efficiency & Refrigerant	The building was designed in response to the direction of sun orientation to maximize lighting from the sun. Main entrances to the building are located on the east and west sides and designed with slight openings. It aims to capture the lighting while minimizing the thermal heat from the sun.
3	Water Conservation	The building has a water management system that conserves and recycles water. Used water from toilet sinks and rainwater are processed and recycled for toilet flushing and plant watering.
4	Material Resources & Cycle	The exterior facade of the building uses a specific glass material that reduces the UV damage from the depleting ozone layers. Meanwhile, the interior uses certified wood materials with extended lifetime such that it can be used for a long time and reprocessed in the future.
5	Indoor Health & Comfort	- The building forbids indoor smoking to ensure non-polluted fresh air inside the building. - Temperature inside the building is kept at 25 degree celsius to maintain the desired level of humidity. - Vegetations around the building support fresh air production and noise reduction. - Visual comfort is also managed for indoors and outdoors, through controlled lighting level and wide green open space, respectively.
6	Building Environment Management	The building facilitates sorted trash bins based on the waste type. It eases the waste processing and distribution process.

⁴⁹ Hidayatulloh, S. & Anisa, A. (2022). Kajian Prinsip Arsitektur pada Bangunan Perkantoran (Studi Kasus: Green Office Park 6, Tangerang Selatan). Purwarupa Jurnal Arsitektur, 6(1), 21–26.

Based on the World Air Quality Report 2020, the city of Traveloka's headquarters, South Tangerang, is ranked first for Most Polluted Regional Cities in Southeast Asia, with an annual average PM 2.5 concentration at 74.9,⁵⁰ far above the WHO target in 2020 of 10.0, which was later updated to 5.0 in 2021.⁵¹ WRI Indonesia reported that the emissions produced per km and per person by commuting on a public bus are only 29.7% of the emissions produced by private cars.⁵²

A car-sharing service organized by Traveloka aims to reduce the carbon emitted by Traveloka

employees' vehicles during their commutes to and from the office. Dozens of shuttles carry a total of approximately 400 Traveloka employees daily, or around 20% of its total employees, through twelve different routes across the Greater Jakarta Area. Travel distance ranges from 26 km to 68 km, with a total of around 527 km trip for one direction each day. Annually, the total distance traveled by all employees using the shuttle is measured at 278,256 shuttle km, which translates to approximately more than 500,000 kg CO₂ of GreenHouse Gas (GHG) emission being avoided.⁵³ This is in comparison to the case if all of the shuttle users commute with private cars.

In the future, Traveloka will launch a 3R Program where it will reduce, reuse, and recycle paper, plastic, and IT equipment waste. This will be achieved by sorting out waste according to its category in the recycling bins installed in all offices. To support this effort, Traveloka will raise environmental awareness internally, discontinue the use of single-use pantry plastic in all offices by switching to reusable containers, consider the introduction of a "No Plastic Day" in the office, and source sustainable/paper-only packaging materials (e.g., FSC-certified).

Traveloka has utilized Amazon Web Services (AWS) to optimize its data processing in order to more accurately understand customer behaviors, needs, and characteristics. The adoption of cloud computing could result in energy savings due to the consolidation of computing resources from individual data centers to the cloud providers' data centers that are run more efficiently at a higher utilization rate (i.e. less storage space that is not utilized, as it could be filled by other customers). In addition, according to its 2020 sustainability report, AWS has pledged to reach net-zero carbon emissions by 2040. As of 2020, it has reached 65% renewable energy across the business, with the target of reaching 100% renewable energy by 2025.⁵⁴

A 2022 sustainability report will be released by Traveloka in Q4 of 2023. Traveloka is considering adopting the report to the Task force on climate-related financial disclosures (TCFD) standard, including the 1st climate scenario analysis and leveraging insights from its 2022 socio-economic impact survey.



⁵⁰ IQAir, (2021). World Air Quality Report 2020

⁵¹ IQAir, (2023). World Air Quality Report 2022

⁵² WRI Indonesia, (2019). Accessed from: <https://wri-indonesia.org/en/insights/personalizing-carbon-footprint-our-travels-mobilize-climate-action>

⁵³ Calculation uses assumption as follows: 1) Shuttles and city cars on average require 11 L of diesel and 15 L of fuel to travel per km, respectively, this information is taken from Carsome, (n.d.) and Pricebook (n.d.). Accessed from: <https://www.carsome.id/news/item/mobil-lcgc-pilihan-rekomendasi> and https://www.pricebook.co.id/Toyota-Hiace-2-8-Premio-M-T/155/PD_00096057_2 Conversion from the amount of diesel or fuel consumption to the energy created from an online article, (n.d.). Accessed from: <https://www.mengonversi-satuan.info/mengonversi+GJ+ke+m3+Diesel.php>. 3) Local emission factor for automotive diesel, RON 88 and RON 92 fuel from the Ministry of Energy and Natural Resources, (2020). Accessed from: <https://www.esdm.go.id/assets/media/content/content-inventarisasi-emisi-gas-rumah-kaca-sektor-energi-tahun-2020.pdf>

⁵⁴ Amazon Web Service, (n.d.). Accessed from: <https://aws.amazon.com/energy/sustainability/>



8.2 Efforts to promote sustainable tourism among Traveloka customers and partners

At the user-level, Traveloka acknowledges the growing demand for sustainable tourism. During its user survey on sustainability products, it was found that 88% of the users surveyed in Indonesia value the option of offsetting their carbon footprint while booking a flight on the Traveloka app. Furthermore, 20% of the users surveyed in Indonesia also are cognizant of their carbon footprint and consciously choose to offset the footprint of their flights, while 83% of those who have never offset their footprint would be willing to do so in the future.

This became the driving factor for Traveloka to introduce its new feature at the end of Q2 2023, called the Carbon Offset Checkout, which first applied to flight customers in Singapore. This feature allows customers to see the amount of carbon emitted from their travels and offers the possibility to compensate for the carbon footprint by buying carbon credits. It will be based on an auto-selected carbon offset project in a third-party provider website, which will be integrated into the Traveloka flight e-ticket page. Users will be directed from the page to the third-party provider website for the purchasing process and a certificate of contribution will be issued after.

In another Traveloka user survey on sustainability products, 80% of the respondents said that they would be more likely to choose an accommodation with sustainability practices. 98% of respondents said that it would be helpful if Traveloka offered the option of identifying accommodation options with a sustainable label in the Traveloka platform. Furthermore, 54% of respondents would be willing to pay a premium for sustainable accommodation.

Thus, at the merchant-partner level Traveloka has started to highlight accommodation options certified by the Global Sustainable Tourism Councils (GSTC). This is achieved by incorporating a filtering option for such options labeled as "Sustainable Tourism" in the application. A description of Sustainable Tourism is also provided to raise awareness among users. This includes the definition of sustainable tourism, GSTC criteria, an elaboration on the sustainability impacts of the tourism industry in Asia, points of sustainability efforts done by Traveloka, and list of actions that users can do to support sustainability in the tourism industry.

Traveloka is also raising awareness among its business partners to encourage them to participate in building a sustainable tourism industry and educating them on the importance of this. In September 2022, through its two-year partnership with GSTC, Traveloka sponsored a GSTC-led sustainable tourism training programme and invited its tier-one hotel partners in Indonesia. 59 business partners went

through a four-week training course consisting of eight sessions, which covered the following: 1) In-depth knowledge of the GSTC criteria, the global standard for sustainability in travel and tourism; 2) Skills to make informed decisions on how to implement sustainability practices in hotels; and 3) Grounds for developing viable and actionable sustainable tourism policies and practices. Through this training initiative, the participants are expected to demonstrate personal knowledge of sustainable tourism standards, which could enable them to prepare a hotel for obtaining GSTC certification. Participants can also leverage the information they obtained to take the official GSTC Sustainable Tourism Course Exam; upon completion of this, they could receive the Professional Certificate in Sustainable Tourism from the GSTC.

From the perspectives of the business partners, 87% of the business partners surveyed agreed that sustainability is an important aspect for their business practices.

Around 49% of the business partners surveyed stated that they engaged in sustainable tourism practices and 46% of them stated that they prioritized promoting destinations that have high hygiene, safety, and environmental standards.

A total of 37% of the surveyed business partners have a sustainability certification.⁵⁵ Around 34% have a local sustainability certification, 9% have an international certification, and 6% have both international (i.e. GSTC for accommodation) and local sustainability certifications (i.e. CHSE for accommodation and Xperience). Something to also note is that 43% of businesses who currently do not have a sustainability certification intend to apply for one in the next year.



Royal Tulip Gunung Geulis

A luxury hotel in Puncak which participated in the Traveloka-sponsored GSTC training programme

Royal Tulip Gunung Geulis ("RTGG") is the first five-star luxury hotel in Puncak, West Java. This 173-room hotel is located in the middle of a 36-hole golf course, one of the largest golf courses in Indonesia. In their view, Puncak has been one of the top travel destinations in the area with rapidly increasing popularity, even during the COVID-19 outbreak. Acknowledging the tourism potential of the area, RTGG was inspired to work together with the local community, as they believe lifting up the surrounding community would be mutually beneficial for their business as well. A couple of its efforts have included: selling durians from local farmers to the hotel guests at an agreed price; and partnering with a local tour agent to organize a trip to waterfalls in Sentul.

RTGG was built in May 2016, and they partnered with Traveloka in the same year. It branded itself as an environmentally friendly hotel. Several measures have been taken to uphold its branding, such as

encouraging guests to refrain from washing their towels daily, digitizing any administrative activities among guests and employees to reduce paper use, recycling waste to become fertilizers, and using environmentally friendly plastics, takeaway boxes, and straws. RTGG is also committed to maintaining the greenery within and around the hotel area. Aside from serving as scenery to attract visitors, it provides clean air and preserves water catchment areas.

RTGG considers Traveloka as one of its main partners as it has generated the highest sales compared to the other OTAs. More than 10,000 rooms in RTGG are booked annually through Traveloka. This relationship goes both ways as Traveloka considers RTGG as very important and is one of the biggest Traveloka partners in the Puncak and Bogor area. Seeing RTGG as a significant partner who cares about sustainability, Traveloka decided to invite RTGG to join the online training program with GSTC in 2022.

Widya, RTGG's General Manager who attended the training, noted the interactive session where participants were presented with case studies and were expected to provide solutions accordingly. The training materials also put an emphasis on integrating with local tourism and preserving local heritage, which are in line with RTGG's current efforts to involve the local communities. As a follow-up from the training session, RTGG intends to continue building up its support for the local tourism ecosystem, while also incorporating more sustainable practices into its operations, all in the hope that it could apply for a GSTC certification as soon as it is eligible.

⁵⁵ The sustainability certifications that we included in the survey as examples include Cleanliness, Health, Safety, and Environment Sustainability standards (CSHE), Global Sustainable Tourism Council Standards (GSTC), and Indonesia Sustainable Tourism Council Standards (ISTC).

8.3 Traveloka's contribution to promoting the use of public transportation

By being an online platform, Traveloka has helped to promote the use of public transport which produces lower emissions and can potentially reduce congestion. Traveloka introduced online booking for buses and shuttles in 2018. This service makes it easier for people to buy intercity and interprovincial bus and shuttle tickets, as they no longer have to queue at terminal counters or spend time going to ticket agents.

Of the respondents that are bus and shuttle operators, 80% agreed that Traveloka has helped them reach more customers and 90% agreed that Traveloka has helped them promote their products and services. Around 50% also stated that Traveloka has helped them get new customers from other provinces. Furthermore, 34% of the businesses surveyed stated that they have offered Traveloka-sponsored bundles to their customers that support the use of public transport, such as accommodation partners that provide shuttle services from the airport.



DAMRI Case Study

State-owned bus and shuttle operator across Indonesia

DAMRI is a State-Owned Enterprise ("SOE") in the land transportation sector. Founded in 1946, it offers transport service in seven segments, ranging from intracity, intercity, airport, isolated-area, tourism, logistics, and cross-border country transports. DAMRI currently has more than 50 branch offices across Indonesia.

DAMRI aims to continuously transform and innovate through digitalization to support the Government of Indonesia's mission to accelerate growth in the transportation sector in the digital era. DAMRI has created strategies to realize the mission, one of which is to partner with multiple e-commerce partners, on top of creating DAMRI apps and an official website. The objective of this strategy is to improve access to tickets by accommodating online ticket purchases.

DAMRI partnered with Traveloka since 2019. This partnership was initiated by the trend in travel ticket booking that has shifted from a conventional system to a more digitized system, as observed by DAMRI. Passengers can now easily book their tickets online without having to go to the physical ticket counter.

Partnering with Traveloka has helped DAMRI to attain higher online ticket sales and improve customer experience. In addition, on several festive days in 2022 (e.g., On DAMRI's birthday and Eid al-Fitr), Traveloka distributed complimentary COVID kits to DAMRI passengers. This action may increase customers' confidence in traveling with DAMRI, in the hope of reviving the transportation sector as it is one of the sectors that was badly affected by the COVID-19 pandemic.





Appendix

Estimating contribution of Traveloka-facilitated transactions to the Indonesian economy

Traveloka's Economic Impact Assessment is calculated using the Input-Output Model methodology. The Input-Output model is a quantitative economic analysis developed based on interactions across economic sectors that are captured in the Input-Output Table. The Input-Output Model for this exercise was developed based on 2019 and 2020 Input-Output Tables published by the Asian Development Bank ("ADB")⁵⁶ and an adjusted Social Accounting Matrix ("SAM") released by the World Input-Output Database ("WIOD")⁵⁷.

The economic impact of Traveloka has been estimated in terms of Gross Value Added ("GVA") and Employment in three different ways:

Direct Impact: Economic activity that is represented by the revenue of Traveloka's business partners, less the supply chain cost. For example, revenue from the sale of flight tickets obtained by airlines less the operating expenditure attributable to generating such revenue (e.g., fuel expense, aircraft maintenance, etc.).

Indirect Impact: Economic activity generated by the procurement of inputs of goods and services. The spending made by business partners will stimulate and increase demand throughout the supply chain. For example, fuel suppliers will need to produce or buy the fuel from other entities and spend other expenses to be able to supply the fuel to the airlines.

Induced Impact: Induced consumption attributable to wages and salaries received by the business partners and suppliers' employees.

The result of the Input-Output Model is also compared to statistic data released by Badan Pusat Statistik ("BPS") and Kementerian Pariwisata dan Ekonomi Kreatif ("Kemenparekraf").

Further, it is important to note that the impact of tourists' spending, such as inbound spending, is not included in the calculation. However, it should be acknowledged that tourist spending can have a significant additional impact on the economy. While this study does not calculate the specific impact from tourists' spending in this analysis, it is worth considering that the overall economic impact may be higher than the figures presented, particularly considering the average amount typically spent by tourists.

⁵⁶ Asia Development Bank, (n.d.). Accessed from: <https://www.adb.org/publications/series/economic-indicators-input-output-tables>

⁵⁷ World Input-Output Database, (n.d.). Accessed from: <https://web.archive.org/web/20211102093655/http://www.wiod.org/database/seas13>



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