

PT. AKR Corporindo, Tbk
ASEAN CORPORATE GOVERNANCE SCORECARD (ACGS)

Version: 2024

PART B
SUSTAINABILITY & RESILIENCE

No.	Questions	Y / N	Implementation	Evidence/Source Document
B.1	Sustainability-related disclosure should be consistent, comparable and reliable, and include retrospective and forward-looking material information that a reasonable investor would consider important in making an investment or voting			
	Material Sustainability-related information should be specified			
B.1.1	Does the company identify/report ESG topics that are material to the organization's strategy?	Yes	The material topics in AKR's Sustainability report are compiled and established following the 2021 Global Reporting Initiatives (GRI) Standard, also known as the AKR Materiality Framework	Material topics in the AKR Sustainability Report have significant and prioritized impacts on the sustainability of Company operations. Their determination is made by considering relevant issues in each operational industry sector, referring to the Sustainability Accounting Standards Board (SASB) to map these relevant issues. These are then combined with the expectations of stakeholders that have been continually identified through engagement processes with the parent company and in each subsidiary. Top topics with high importance materiality for AKR stakeholders that is mentioned in Sustainability Report 2023 page 15 are as follow; <ol style="list-style-type: none"> 1. Employee Health & Safety 2. GHG Emission 3. Energy Management 4. Water & Wastewater Management 5. Critical Incident Risk Management 6. Air Quality 7. Legal & Regulatory Compliance 8. Human Rights & Community Relations 9. Customer Privacy & Data Security 10. Product Quality & Safety

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B.1.2	Does the company identify climate change as an issue?	Yes	Climate change is a global challenge, potentially affecting business activities if not properly mitigated. AKR Management admits that it may impact disruption to the supply chain, increased operational costs, and risks related to extreme weather events. In addressing this challenge, AKR has developed a comprehensive sustainability strategy, embodied in the pillar of Our Business Portfolio.	AKR's climate change approach was mentioned in Sustainability Report 2023 page 57 - 58 ; <ol style="list-style-type: none"> 1. Sustainable Development and Strengthening of Business Portfolio 2. Exploration of Alternative Energy Sources to Drive Efficiency 3. Utilizing Technology for Operational Optimization and Environmental Footprint Mitigation 4. Infrastructure Resilience and Operational Robustness against Climate Change Risks 5. Water Management
B.1.3	Does the company adopt an internationally recognized reporting framework or standard for sustainability (i.e. GRI, Integrated Reporting, SASB, IFRS Sustainability Disclosure Standards)?	Yes	AKR Sustainability Report is prepared based on the Financial Services Authority Regulation. Additionally, it follows the Global Reporting Initiatives (GRI) guidelines and refers to the Sustainable Development Goals (SDGs) in the Roadmap of the National Medium- Term Development Plan 2020-2024, as well as Presidential Regulation No. 59/2017 on the Achievement of Sustainable Development Goals (SDGs). Meanwhile, the determination of material topics referring to SASB.	Sustainability Report 2023 page 10
If a company publicly sets a sustainability-related goal or target, the disclosure framework should provide that reliable metrics are regularly disclosed in an easily accessible form				
B.1.4	Does the company disclose quantitative sustainability target?	Yes	AKR released AKR Horizon 2030. It is AKR Sustainability Progress Tracker that relevant to The Company's business practices during the last 2-3years	Some quantitative sustainability targets that is mentioned in Sustainability Report 2023 page 46 are as follow; <ol style="list-style-type: none"> 1. 30% renewable energy mix 2. Zero significant spill 3. Emission intensity 0.02 MT CO2e/Rp million Gross Profit 4. Zero fatalities 5. Zero major safety incidents 6. Zero Human Rights Incidents 7. 30% middle-up management held by women 8. Zero corruption incidents

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B.1.5	Does the company disclose sustainability-related performance progress in relation to its previously set targets?	Yes	AKR released AKR Horizon 2030. It is AKR Sustainability Progress Tracker that relevant to The Company's business practices during the last 2-3years	Sustainability targets in AKR Horizon 2030 are mentioned with its progress in Sustainability Report 2023 page 46
B.1.6	Does the company confirm that its Sustainability Report / Reporting is reviewed and /or approved by the Board or Board Committee?	Yes	AKR's Sustainability Report is always signed by Board member	Sustainability Report 2023 page 42 - 43
B.2	Corporate governance frameworks should allow for dialogue between a company, its shareholders and stakeholders to exchange views on sustainability matters			
B.2.1	Does the company engage internal stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	Yes	Material topics determination in AKR SR is made by considering relevant issues in each operational industry sector, referring to SASB, then combined with the expectations of stakeholders that have been continually identified through engagement processes with the parent company and in each subsidiary.	AKR Materiality Framework is mentioned in Sustainability Report 2023 page 12
B.2.2	Does the company engage external stakeholders to exchange views and gather feedback on sustainability matters that are material to the business of the company?	Yes	The Company engages in two-way communication by listening to the aspirations, needs, suggestions, and criticisms of stakeholders. External Stakeholders can download AKR Sustainability Report from the Company's website at www.akr.co.id . And they are invited to submit questions, suggestions, ideas, criticism, and feedback via the form available at the end of the report, or by contacting AKR's Corporate Secretary	Sustainability Report 2023 page 15 , 48 - 49

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B.3	The corporate governance framework should ensure that boards adequately consider material sustainability risks and opportunities when fulfilling their key functions in reviewing, monitoring and guiding governance practices, disclosure, strategy, risk management and internal control systems, including with respect to climate-related physical and transition risks			
	Boards should assess whether the company’s capital structure is compatible with its strategic goals and its associated risk appetite to ensure it is resilient to different scenarios			
B.3.1	Does the company disclose that the board reviews on an annual basis that the company's capital and debt structure is compatible with its strategic goals and its associated risk appetite?	Yes	One of board roles in risk management is reviewing the risk profile and reports, including ensuring and providing insights into key risks that need priority in risk mitigation. Also reviewing established mitigation controls to ensure realization is sufficient and timely	<p>AKR has assessed that internal control is a series of actions that encompass the entire process within the Company’s business. Internal control is part of the basic management process, namely planning, implementation, and monitoring. Components of the internal control system within the Company’s environment include:</p> <ol style="list-style-type: none"> 1. Control Environment 2. Risk Assessment 3. Control Activities 4. Information & Communication 5. Monitoring <p>Alignment with COSO Standards is mentioned in Annual Report 2023 page 225 - 227</p> <p>Roles of The Board in Risk Management are stated in Annual Report 2023 page 232. Reviewing strategic goals compatibility with capital and debt structure is included as financial risk management. Key initiatives related to this risk is mentioned in Annual Report 2023 page 231. While key initiatives related to climate change related risks are covered under SHE and business development risk, which was stated in Annual Report 2023 page 230 - 231</p>

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B.4	The corporate governance framework should recognise the rights of stakeholders established by law or through mutual agreements and encourage active co- operation between corporations and stakeholders in creating wealth, jobs, and the sustainability of financially sound enterprises.			
	Does the company disclose a policy and practices that address :			
B.4.1	The existence and scope of the company's efforts to address customers' welfare?	Yes	As AKR's aim is to provide added value to all stakeholders, creating positive multiplier effects in line with the programs and plans of the Indonesian government is advisable. AKR seeks to be a constructive partner by supporting government initiatives and creating positive synergies that can bring long-term benefits to society.	<ol style="list-style-type: none"> 1. Since 2017, the Indonesian government has been pushing for the implementation of the "One Price Fuel" Program in the 3T (outermost, frontier, and least developed) regions across Indonesia. AKR serves as one of the extended arms, reaching out to communities outside of Java Island to ensure they can enjoy the same fuel prices. The oneprice fuel policy is expected to bring about social justice and create a multiplier effect in developing communities, generating indirect economic impacts. 2. AKR contributes in the development of competitive industries, and boosts regional economy growth by the establishment of an integrated Industrial and Port Estate JIPE with the potential for large-scale job creation. 3. AKR recruit employees from the local communities in an effort bring positive impacts to the region, the communities, and to the Company. <p>Sustainability Report 2023 page 131, 132, 133</p>
B.4.2	Supplier/contractor selection procedures?	Yes	AKR suppliers must meet technical, financial, administrative, and legal criteria. One aim is to ensure that supplies are not illegally sourced. Additionally, suppliers must adhere to environmental, health, and safety standards, as well as understand the Company's sustainability policies.	<p>In early 2024, AKR released a sustainable procurement policy to reaffirm its commitment to achieving sustainability with all stakeholders. In practice, a rigorous selection and screening process is carried out for potential new suppliers. As a result, 100% of new suppliers processed by the procurement team have been prequalified with general criteria, while the assessment of AKR's sustainable procurement policy will be conducted in 2024. Regular assessments and evaluations for registered suppliers continue to be conducted.</p> <p>Sustainability Report 2023 page 67, 158 Sustainable Procurement Policy</p>
B.4.3	The company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?	Yes	AKR suppliers must meet technical, financial, administrative, and legal criteria. One aim is to ensure that supplies are not illegally sourced. Additionally, suppliers must adhere to environmental, health, and safety standards, as well as understand the Company's sustainability policies.	<p>Sustainable procurement policy is released to reaffirm its commitment to achieving sustainability with all stakeholders in AKR'S supply chain. The assessment of AKR's sustainable procurement policy will be conducted in 2024.</p> <p>Sustainable Procurement Policy</p>

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B.4.4	The company's efforts to interact with the communities in which they operate?	Yes	AKR understands that sustainability can be achieved if the community also benefits from a company's growth. Therefore, in achieving sustainability values, success must be accompanied by the creation of an independent and prosperous community.	<p>Growing Together with the community is AKR's mission in maintaining sustainability. consistently providing special attention in the form of empowerment and engagement through various community welfare improvement programs. AKR also builds harmonious relationships to foster strong ties between the company and the community, in a belief that through strong relationships, effective, efficient, and sustainable programs will follow.</p> <p>All of our community engagement programs were mentioned in Sustainability Report 2023 page 130 - 140</p>
B.4.5	The company's anti-corruption programmes and procedures?	Yes	The company has anti-corruption policies and procedures, creating a work ecosystem that upholds ethics and honesty, and ensures that business practices are free from all forms of corruption and gratuity-related violations.	<p>As a tangible manifestation of the commitment to support the eradication of corruption, collusion, and nepotism (KKN), AKR has created an Integrity Pact that must be signed by every employee. In the Integrity Pact, all procurement processes must be conducted transparently in accordance with the Code of Ethics.</p> <p>AKR also has implemented a violation reporting system and added a whistleblowing system reporting channel to report alleged violations of ethics, policies, or laws related to the Company's activities, a strategic effort in building a culture of integrity and transparency.</p> <p>Sustainability Report 2023 page 159, 152</p>
B.4.6	How creditors' rights are safeguarded?	Yes	Creditor and Business partner rights are safeguarded under agreement that created by both parties, considering fair business practices. The enforcement of business ethics and compliance is implemented comprehensively, consistently, and universally, with every employee required to sign a Code of Conduct and adhere to it in their daily activities.	<p>In 2023 AKR release new code of conduct. AKR regulates the relationship between our people and supplier, creditor, business partner, so both parties can implement fair business practices.</p> <p>AKR's Code of Conduct</p>

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B.4.7	Does the company have a separate report/ section that discusses its efforts on environment/economy and social issues?	Yes	AKR released Sustainability Report based on the Financial Services Authority Regulation No.51/POJK.03/2017 as well as the Financial Services Authority Circular Letter No.16/SEOJK.04/2021. Additionally, it follows the Global Reporting Initiatives (GRI) guidelines and refers to the Sustainable Development Goals (SDGs) in the Roadmap of the National Medium- Term Development Plan 2020-2024, as well as Presidential Regulation No. 59/2017 on the Achievement of Sustainable Development Goals (SDGs).	Sustainability Report 2023
B.5	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights.			
B.5.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	Yes	Stakeholders can download this Sustainability Report from the Company's website at www.akr.co.id We also invite stakeholders to submit questions, suggestions, ideas, criticism, and feedback via the form available at the end of the report, or by contacting Corporate Secretary. AKR also has implemented a violation reporting system and added a whistleblowing system reporting channel to report alleged violations of ethics, policies, or laws related to the Company's activities, a strategic effort in building a culture of integrity and transparency	Sustainability Report 2023 page 15 , 159 https://wbs.akr.co.id/

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B.6	Mechanisms for employee participation should be permitted to develop.			
B.6.1	Does the company explicitly disclose the policies and practices on health, safety and welfare for its employees?	Yes	<p>AKR recognizes that safety, security, and environmentally friendly operations are key to long-term business stability. Therefore, the Company strives to protect the safety and security of the workplace for employees and all stakeholders involved, including preventing workplace accidents, the onset of diseases in the workplace, and environmental pollution.</p> <p>The Company is committed to complying with applicable regulations, following operational designs and standards, and monitoring the implementation of these with reference to safety aspects and prevailing environmental norms at each stage of operations.</p> <p>Furthermore, AKR is also committed to providing adequate and reliable resources to support the continuous improvement of a safe, healthy environment by making the SHE policy a collective responsibility.</p>	<p>All policies and detailed practices of health and safety management are explained in the Sustainability Report 2023 page 96 - 159</p> <p>AKR also released policy to emphasize SHE practice HSSE Policy</p>

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B.6.2	Does the company explicitly disclose the policies and practices on training and development programmes for its employees?	Yes	<p>AKR regularly organizes training and development programs aimed at optimizing employee potential and quality. Facing increasingly competitive business dynamics, AKR is committed to providing the best training and development programs for. All employees at AKR have equal opportunities to participate in training and development initiatives, thus creating a fair and inclusivework environment.</p> <p>AKR and its subsidiaries also understand the importance of Occupational Health and Safety (OHS). Therefore, comprehensive training is provided from the first day employees join the Company. This training is conducted continuously, and every employee must demonstrate sufficient understanding to identify hazards and risks in their work.</p>	<p>All detailed policies and practices on training and development also performance appraisal for employees are explained in the Sustainability Report 2023 page 118 - 127</p> <p>While practices on training and development of health and safety for employees are explained in the Sustainability Report 2023 page 100 - 103</p>
B.6.3	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?	Yes	<p>At the end of each year, AKR conducts performance evaluations based on Key Performance Indicators (KPIs), which have been set jointly with each individual employee at the beginning of the year. Subsequently, the year-end performance evaluation results will be followed up with necessary reward, development, training, and retention programs.</p>	<p>KPI in AKR is aimed at achieving several strategic targets:</p> <ol style="list-style-type: none"> 1) Ensuring that all strategic goals of the Company can be cascaded from the top leadership to all levels of employees. 2) Ensuring that there is a collaborative process between departments in line with the Company's values. 3) Aligning communication processes between supervisors and subordinates, and the development process of subordinates. 4) Serving as the basis for fair employee evaluations and the process of rewarding good performance. <p>AKR's Performance Appraisal Process and Metrics, also its practices and rewards are explained in Sustainability Report 2023 page 121 - 127</p>

No.	Questions	Y / N	Implementation	Evidence/Source Document
B.7	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.			
B.7.1	Does the company have a whistle blowing policy which includes procedures for complaints by employees and other stakeholders concerning alleged illegal and unethical behaviour and provide contact details via the company's website or annual report	Yes	AKR has implemented a violation reporting system and added a whistleblowing system reporting channel to report alleged violations of ethics, policies, or laws related to the Company's activities, a strategic effort in building a culture of integrity and transparency. Through this channel, every employee, third-party vendor, supplier, and stakeholder can report their concerns safely and confidentially.	Statement about whistle blowing procedures are mentioned in the Sustainability Report 2023 page 153 - 154 Whistleblowing Policy https://wbs.akr.co.id/
B.7.2	Does the company have a policy or procedures to protect an employee/person who reveals alleged illegal/unethical behaviour from retaliation?	Yes	AKR can receive reports of alleged violations in any form, including fraud, corrupt practices, breaches of the Code of Ethics, or legal violations. In practice, reports are received directly by the President Director, whereupon they are carefully and meticulously investigated by the Internal Audit Unit, in accordance with the regulations and provisions applicable to the Company. Communication with the reporter is conducted confidentially by the Whistleblower Protection Officer. This happens if information or clarification is needed for further investigation processes.	Whistleblowers have the right to protection to ensure their safety, it is stated on Sustainability Report 2023 page 154 Whistleblowing Policy https://wbs.akr.co.id/