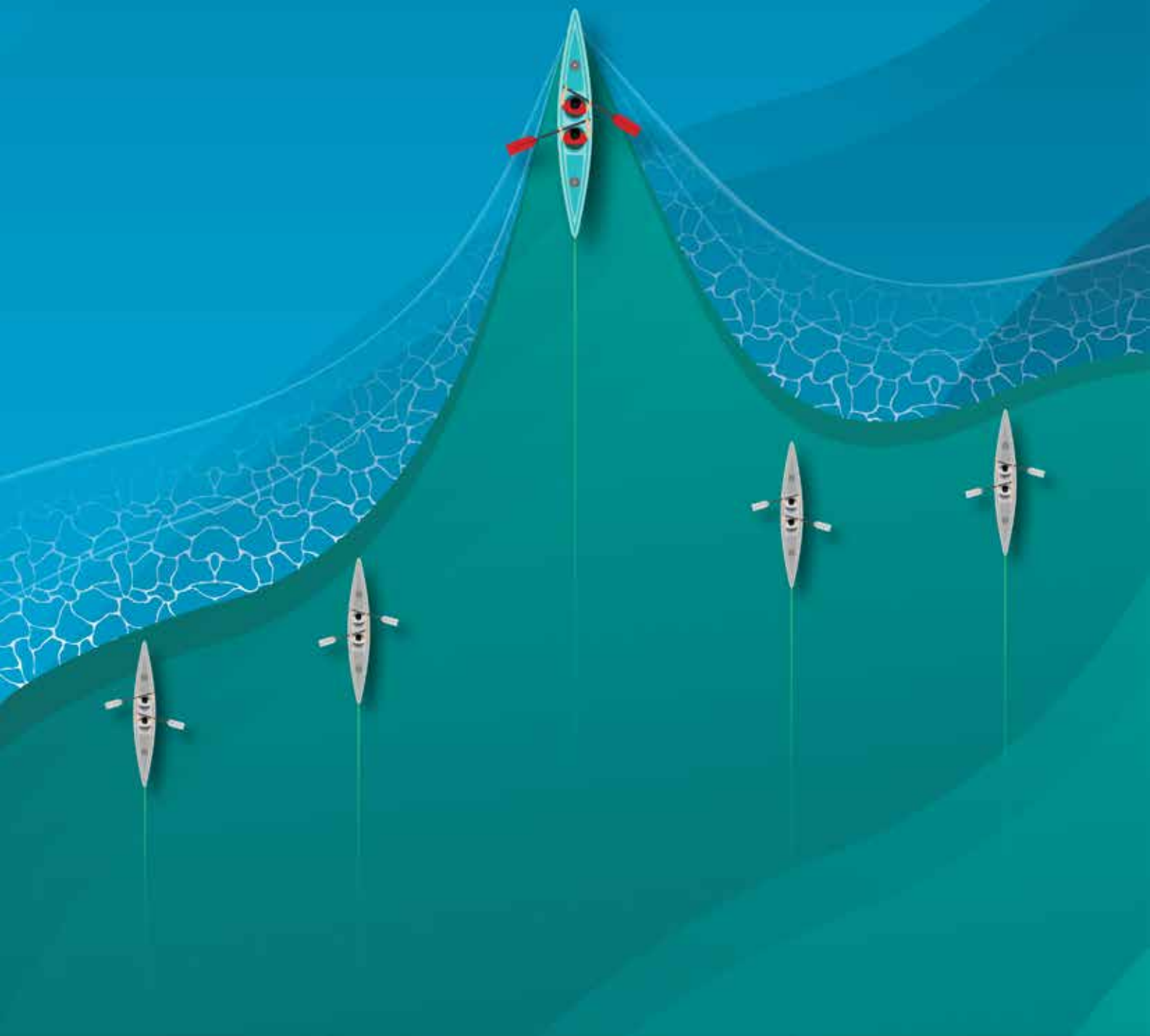


Expanding Our Horizon **Advancing Together**

Sustainability Report 2023



THEME EXPLANATION

Expanding Our Horizon Advancing Together

AKR is deeply committed to achieving the Sustainable Development Goals (SDGs), with a focus on the crucial principle of “no one left behind.” This spirit is the foundation of our commitment to inclusive progress and enhancing the welfare of every member of the community, which we see as essential for true sustainability.

Through AKR’s ESG Commitment Statement, “Progressing with Purpose,” we are dedicated to sustainable growth and development of our business portfolio. We aim to seize new opportunities and continually enhance all aspects of AKR’s business in alignment with sustainability values, responsible and environmentally conscious operations, and aiding the shift towards a low-carbon economy.

Leveraging our network’s strength and core competencies, AKR supports the government’s energy transition initiatives with biodiesel programs and is carefully evaluating the adoption of alternative energy sources, such as gas and solar panels. We are enhancing the distribution of biodiesel nationwide as an alternative energy source. Additionally, we have strategically diversified AKR’s business by investing in the development of Special Economic Zones, envisioned as Green Industrial Estates that foster the sustainable growth of industries and the economy, powered entirely by cleaner energy sources. With these investments, we aim for AKR to spearhead new economic opportunities, champion sustainability, and contribute to national carbon emission reduction efforts.

AKR’s people plays a crucial role in this journey. We invest in our human resources, focusing on capacity building and employee welfare through various training and development programs. Our goal is to foster an inclusive

and equal work environment where every individual, regardless of gender, feels valued and able to contribute significantly. Prioritizing workplace safety and health underscores our commitment to humanitarian values.

AKR is also committed to making a positive impact in the Communities we serve. This includes community empowerment programs, educational and health support, and bolstering local economies through infrastructure improvements, engaging local suppliers, and job creation. We believe that thriving communities contribute to the company’s growth. Therefore, we partner with local governments, NGOs, and community groups to design and implement initiatives that improve life quality and create shared value.

Understanding that our sustainability efforts must be underpinned by robust corporate governance, AKR pledges to uphold Ethical Behavior, Accountability, Transparency, and Sustainability across all operational facets. We enforce ethical governance practices, adhere to relevant regulations, and maintain a strong internal control system. Through effective risk management and wise decision-making, our goal is to foster trust and sustainable value for all stakeholders.

By synergizing Our Business Portfolio, Our People, Our Communities, and Our Conduct, AKR is dedicated to generating significant and positive impacts for all stakeholders. We believe that through collaborative efforts, the company can broaden perspectives and collectively advance towards a brighter, more inclusive future for everyone.



Kayak in the Forefront

The kayak is symbolic of AKR as a leader in sustainability initiatives, and the principle of “no one left behind”. This craft can break through the water, demonstrating AKR’s leadership in exploring new opportunities, enhancing sustainability, and transitioning to a low-carbon economy.

Synergy and Collaboration for a Better Future

Like the V formation that enables a group of kayaks to move more efficiently together, AKR believes that closer collaboration with stakeholders can expand horizons allowing a cohesive forward momentum towards an improved, inclusive future.

Color Transition

The water ripples generated by the first boat visualize ‘Expanding Our Horizons’, producing a transition from blue to green that represents AKR’s leadership in sustainability.

Stability of the Kayak

Kayaks are known for their strength and stability, allowing them to return to their original position, even after capsizing in a storm. Metaphorically, this reflects AKR’s resilience and steadfastness as it conducts business while simultaneously leading sustainability initiatives.

LIMITATIONS AND DISCLAIMERS

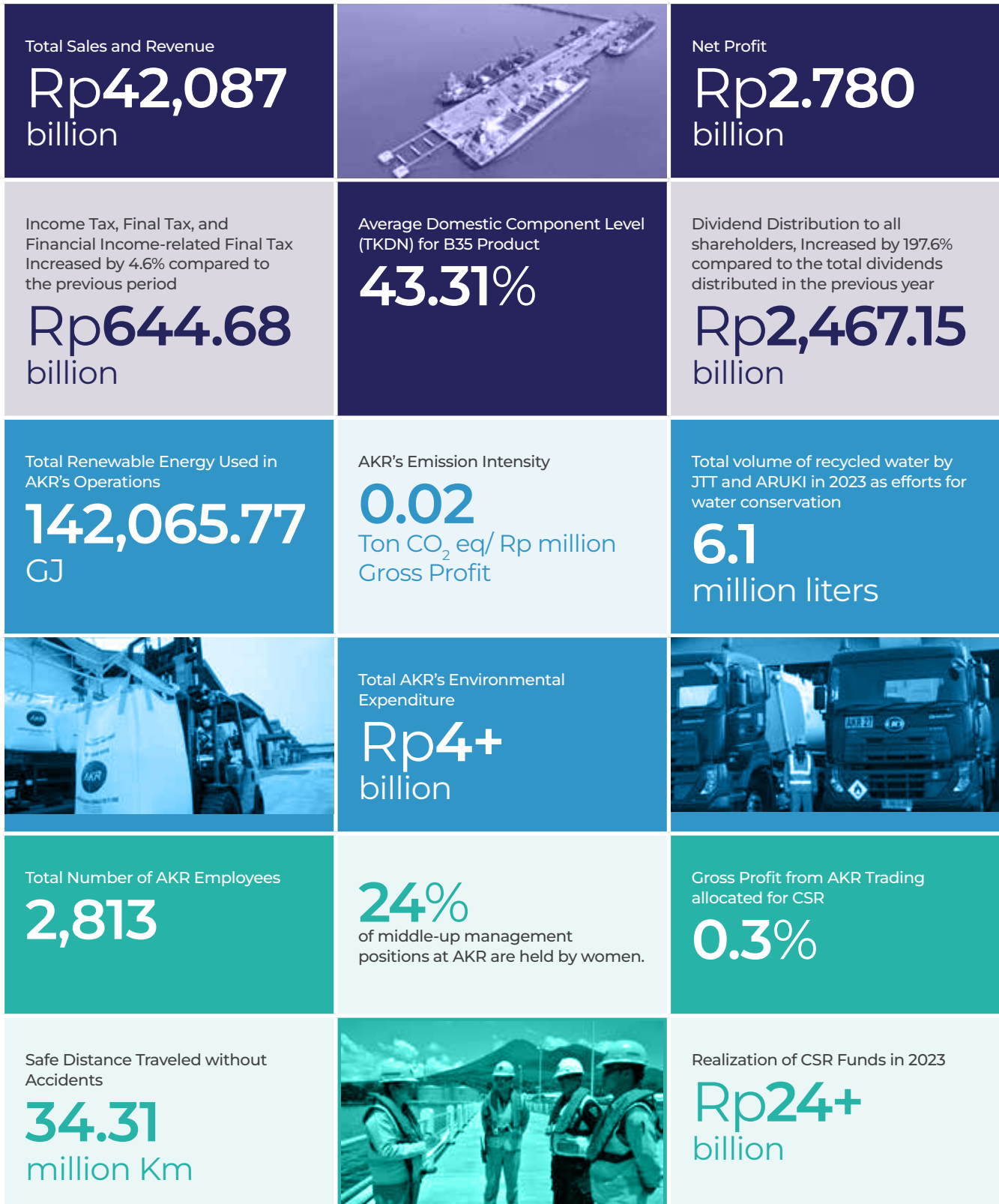
PT AKR Corporindo Tbk's Sustainability Report for the 2023 Fiscal Year provides information on economic, social, environmental, and corporate governance performance throughout that fiscal year. Published concurrently with the Company's Annual Report, this report includes projections, plans, strategies, policies, and corporate objectives, which are considered forward-looking statements. Forward-looking statements in this report encompass targets, expectations, forecasts, estimates, and business projections that may be influenced by the development of sustainability strategy implementation and changes in economic, social, political, and relevant regulatory conditions. It is essential to note that these forward-looking statements carry risks and uncertainties that could result in actual developments differing from those described in this report. In the context of this report, the terms "Company," "AKR," or "We" refer to PT AKR Corporindo Tbk.

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SUSTAINABILITY PERFORMANCE OVERVIEW 2023

[SEOJK B.1] [SEOJK B.2] [SEOJK B.3]



PEOPLE

Indicators	2023	2022	2021
Number of Personnel (employee)	2,813	2,645	2,613
Recruitment (employee)	485	439	446
Av. Training Hours per Employee			
Male (hours)	16.82	12.7	27.75
Female (hours)	25.91	36.2	15.16
Number of Fatalities (unit)	0	0	0

PORTFOLIO

Indicators	2023	2022	2021
Energy Consumption (GJ)	781,357.57	667,039.76	742,051.76
Emissions			
Scope 1 (Ton CO ₂ eq)	25,016.20	20,566.03	25,070.28
Scope 2 (Ton CO ₂ eq)	10,784.07	12,431.07	12,102.10
Scope 3 (Ton CO ₂ eq)	56,329.42	51,912.28	53,252.87
Emission Intensity (Ton CO ₂ eq/ Rp million Gross Profit)	0.02	0.02	0.04
Water Withdrawal (m ³)	471,180	614,359	450,943
Hazardous Waste (tons)	502.3	807.4	432.7
Non-Hazardous Waste (tons)	1,750.8	2,986	2,181

COMMUNITY

Indicators	2023	2022	2021
Company CSR Fund (Rp)	24,197,277,383.00	22,852,287,343	28,527,958,498





01

About This Report

www.akr.co.id |

 The AKR Sustainability Report reflects the Company's commitment to implementing principles of transparency, accountability, and responsibility for all stakeholders. In this report, AKR expresses its adherence to conducting business and activities responsibly and sustainably, with the goal of making a positive contribution to stakeholders and the progress of Indonesia.

ABOUT THIS REPORT

AKR's 2023 Sustainability Report reflects the Company's commitment to sustainable principles and performance, involving economic, social, and environmental areas. The report forms part of the Company's compliance with applicable regulations, including Article 66 C of Law No. 40 of 2007 concerning Limited Liability Companies, which mandates the annual submission of Social and Environmental Responsibility Activity Reports. The 2023 Sustainability Report is the eleventh issued by the Company.

Through the Sustainability Report, AKR provides comprehensive information to all stakeholders as to the Company's commitments, efforts, and contributions in implementing sustainable programs, initiatives, and policies aligned with the Sustainable Development Goals (SDGs).

In preparing this report, the terms "AKR," "Company," or "We" are used to represent PT AKR Corporindo Tbk, and all financial information and numerical data is stated in Rupiah (IDR) with numeric notation in the Indonesian language.

The AKR Sustainability Report is prepared based on the Financial Services Authority Regulation No. 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Institutions, Issuers, and Public Companies, as well as the Financial Services Authority Circular Letter No. 16/SEOJK.04/2021 concerning the Form and Content of the Annual Reports of Issuers or Companies. Additionally, this report 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).

This Sustainability Report contains information regarding the Company's sustainability performance during the period from January 1, 2022, to December 31, 2023, covering the parent company, PT AKR Corporindo, Tbk, as well as all consolidated subsidiaries in the Financial Statements.

[\[GRI 2-2\]](#) [\[GRI 2-3\]](#)

The scope of the AKR Sustainability Report is as follows:

Line of Business	Company Name	Abbreviation	Location	Status	% Ownership
Trading Distribution & Storage	PT AKR Corporindo Tbk	AKR	West Jakarta, DKI Jakarta	Parent Company	-
Transportation	PT AKR Transportasi Indonesia	ATI	West Jakarta, DKI Jakarta	Subsidiary, Direct Ownership	99,90
Transportation	PT AKR Sea Transport	AST	West Jakarta, DKI Jakarta	Subsidiary, Direct Ownership	99,99
Terminal Storage	PT Jakarta Tank Terminal	JTT	North Jakarta, DKI Jakarta	Subsidiary, Direct Ownership	51,00

Line of Business	Company Name	Abbreviation	Location	Status	% Ownership
JIIPE Industrial Estate	PT Berkah Kawasan Manyar Sejahtera	(JIIPE-BKMS)	Gresik, East Java	Joint Venture	60 (Through UEPN)
JIIPE Port Area	PT Berlian Manyar Sejahtera	(JIIPE-BMS)	Surabaya, East Java	Joint Venture	40 (Through UEPN)
Other - Manufacturing	PT Arjuna Utama Kimia	ARUKI	Surabaya, East Java	Subsidiary, Direct Ownership	99,96
Other - JV Trading Retail Petroleum	PT Aneka Petroindo Raya	APR	West Jakarta, DKI Jakarta	Joint Venture	50,10 (Through AKRIDA)
Other - JV Trading Aviation Fuel	PT Dirgantara Petroindo Raya	DPR	West Jakarta, DKI Jakarta	Joint Venture	50,10 (Through AKRIDA)

*Policies for entities other than those mentioned follow the policies applicable in PT AKR Corporindo Tbk (AKR)

Restatement & Significant Changes Statement

[SEOJK C.6] [GRI 2-4]

In compiling these reports, AKR continually strives to enhance their quality by making improvements in the presentation of information, modifying measurement methods and assumptions, as well as collecting more accurate data. Therefore, any changes, whether in the presentation of information, modification of measurement methods and assumptions, or better data collection, will be specifically communicated along with their implications.

In 2023, there is a restatement of energy, emissions, and safe working hours data for 2022 and 2021.

Principles & Reporting Quality

The principles that serve as the foundation and guidance for AKR in preparing this Sustainability Report follow the Global Reporting Initiatives (GRI) guidelines, focusing on Impact, Material Topics, Stakeholders, and Due Diligence.

In assessing the quality of the report's content and information, AKR consistently refers to the GRI standards, considering and accommodating the 8 reporting principles, including aspects such as accuracy, balance, clarity, comparability, completeness, sustainability context, reliability, and timeliness. Further details as to the 8 reporting principles are as follows:

Accuracy

The information presented must be accurate and detailed so that it can be used by stakeholders to assess the Company's performance.

Balance

The Company's performance must contain both positive and negative aspects so that it can be assessed rationally and thoroughly.

Clarity

The information presented must be easy to understand for stakeholders to access.

Timeliness

Reports must be published regularly so that stakeholders can make decisions in a timely manner based on available information.

Completeness

The information in the report must present fully the activities, events, and impacts for the reporting period

Sustainability Context

The report considers the broad context of sustainable development, including using international references such as the OECD Guidelines, Sustainable Development Goals (SDGs), and UN Guiding Principles on Business and Human Rights. In addition to the global perspective, this report also considers local and national contexts based on the operational areas.

Reliability

To enable fact-checking, the report must contain and state the information and processes used in preparing it. This will reflect the quality and materiality of the information presented.

Comparability

The information must be consistent and able to be used by stakeholders to assess changes in Company performance that occur within a certain period, and should include data and information for several years prior to the reporting period used.

Determining Material Topics

[GRI 3-1] [GRI 3-2][GRI 3-3]

The material topics in this report are compiled and established following the 2021 Global Reporting Initiatives (GRI) Standard, also known as the AKR Materiality Framework, and conducted through the following steps:

Step 01

Desktop Research

Benchmarking with industries and similar companies in AKR's business sectors, such as logistics and distribution, storage and transportation, industrial estate, and other businesses. Material topics for each sector are mapped using the Sustainability Accounting Standards Board (SASB) structure, according to the International Standard Industry Classification (ISIC).

Step 02

Materiality Workshop

The results of benchmarking, SASB mapping and ISIC are presented in an in-depth discussion involving the AKR ESG Task Force, consisting of representatives from all AKR subsidiaries.

Step 03

Prioritize

In this discussion, the ESG Task Force prioritizes each topic regarding the Company's business sustainability and considers expectations from stakeholders, both from subsidiaries and the AKR parent company.

Step 04

Validation

Validation of material topics is carried out in the ESG Committee forum, consisting of senior management at AKR. It is subsequently aligned with the AKR Sustainability House, which serves as an umbrella for sustainability strategies for all initiatives in AKR and its subsidiaries.

Step 05

Approval

Final approval of the list of material topics for the 2023 AKR Sustainability Report is conveyed by the AKR Board of Directors.

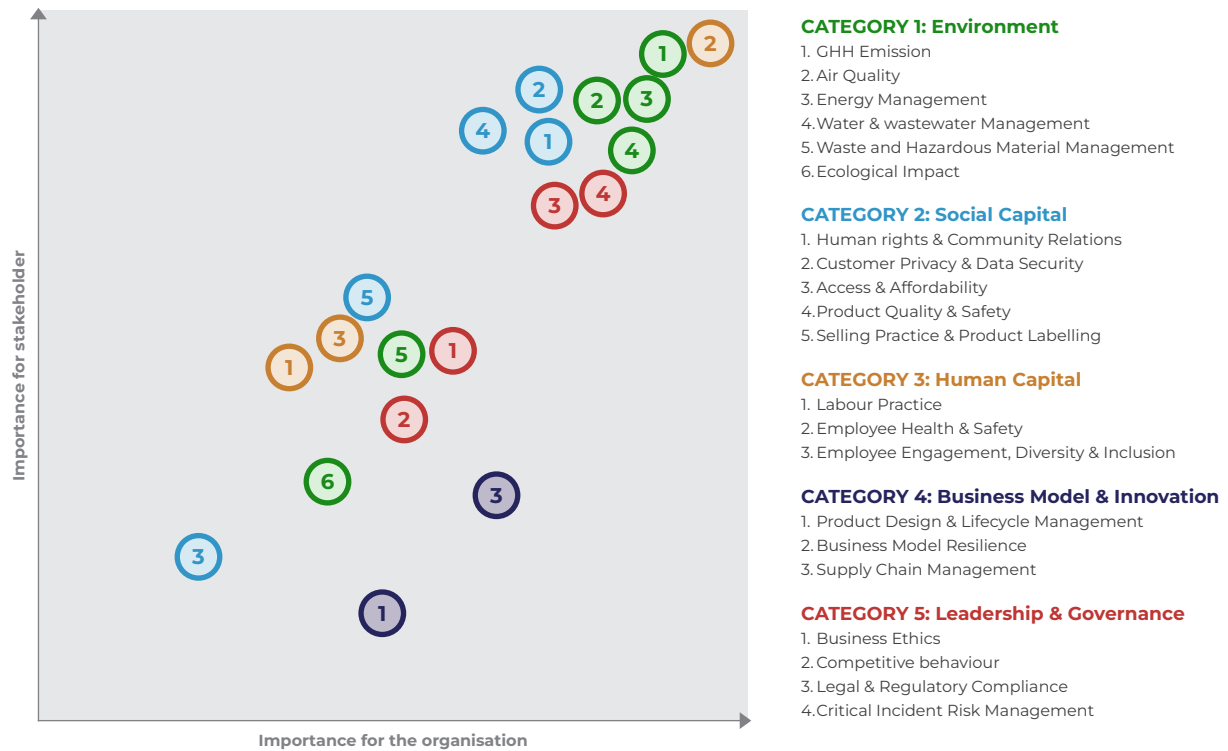
Material topics in the AKR Sustainability Report have significant and prioritized impacts on the sustainability of Company operations. Their determination is made by considering relevant issues in each operational industry sector, referring to the Sustainability Accounting Standards Board (SASB) to map 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.

AKR'S Topic Hotspot based on Sustainability Accounting Standards Boards Materiality Map

Cat.	Issues	Trading & Distribution		Transportation & Storage			Integrated Industrial & Port Estate		Other Businesses		
		Chemicals	Biofuels	Storage	Road Transport	Marine Transport	Industrial	Port & Utilities	Adhesives Manufacturing	bp AKR Petrol Stations	Aviation Fuel
Environment	GHG Emissions										
	Air Quality										
	Energy Management										
	Water & Waste Management										
	Waste & Hazardous Material Management										
	Ecological Impacts										
Social Capital	Human Rights & Community Relations										
	Customer Privacy										
	Data Security										
	Access & Affordability										
	Product Quality & Safety										
	Customer Welfare										
	Selling Practice & Product Labelling										
Human Capital	Labor Practice										
	Employee Health & Safety										
	Employee Engagement, Diversity & Inclusion										

Cat.	Issues	Trading & Distribution		Transportation & Storage			Integrated Industrial & Port Estate		Other Businesses		
		Chemicals	Biofuels	Storage	Road Transport	Marine Transport	Industrial	Port & Utilities	Adhesives Manufacturing	bp AKR Petrol Stations	Aviation Fuel
Business Model & Innovation	Product Design & Lifestyle Management										
	Business Model Resilience										
	Supply Chain Management										
	Materials Sourcing & Efficiency										
	Physical Impacts of Climate Chance										
Leadership & Governance	Business Ethics										
	Competitive Behaviour										
	Management of Legal & Regulatory Environment										
	Critical Incident Risk Management										
	Systemic Risk Management										

The list of material topics and a materiality matrix, determined through the AKR Materiality Framework, and with a sectoral approach based on the ISIC Sectoral SASB Materiality Map for the 2023 Sustainability Report is as follows:



Ensuring Report Credibility

[GRI 2-5][SEOJK G.1]

To ensure the credibility of the report, both GRI and POJK recommend the use of external assessment by independent parties, which AKR acknowledges. Therefore, in future Sustainability Reports, the Company commits to undergoing an external assurance process.

However, in the 2023 AKR Sustainability Report, the information and data presented have undergone internal verification by the Company's internal team, which includes data contributors, division/department heads, corporate secretary, and final approval from the Board of Directors. Through this internal verification process, AKR has ensured that all data and information in the report is presented accurately and can be accounted for.

Response to Previous Report Feedback

[SEOJK G.3]

This Sustainability Report has been updated based on feedback received from the Financial Services Authority (OJK) regarding the completeness of disclosures, in accordance with OJK Circular Letter No. 16/SEOJK.04/2021 regarding the Form and Content of the Annual Reports of Issuers or Public Companies.

Accessibility and Feedback

[GRI 2-3][SEOJK G.2]

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 PT AKR Corporindo Tbk

AKR Tower 26th Floor,
Jl. Panjang No.5 Kebon Jeruk,
Jakarta Barat 11530, Indonesia

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corporate.secretary@akr.co.id

Feedback Form





AKRA 105
JAKARTA
9187538



02

Company Profile

www.akr.co.id |

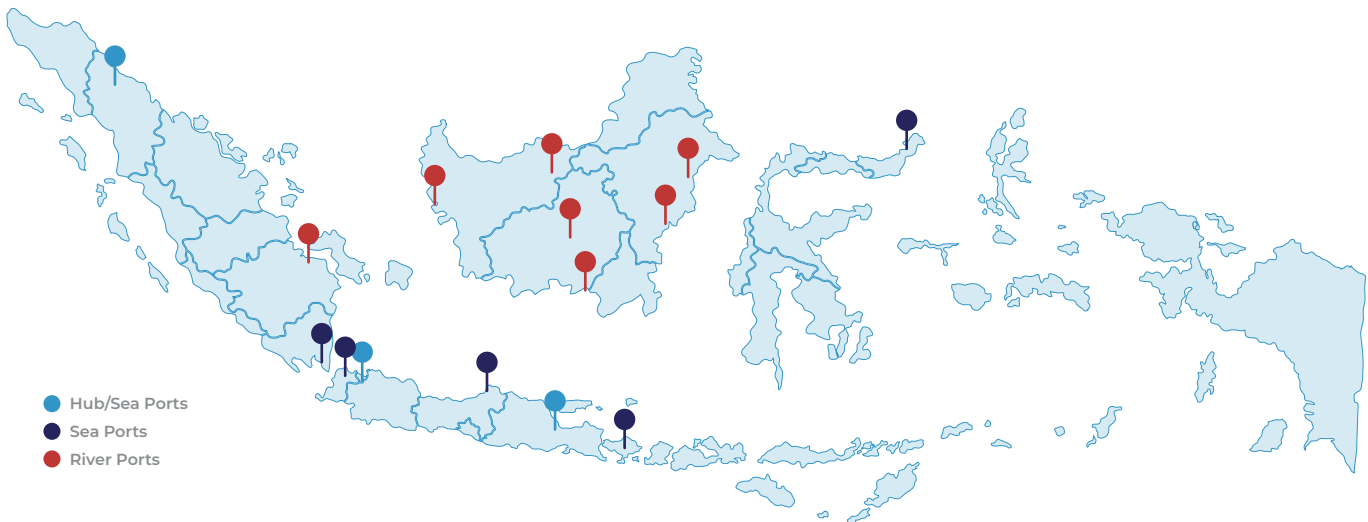
COMPANY PROFILE

PT AKR Corporindo Tbk provides logistics and supply chain services in Indonesia and specializes in the distribution of petroleum products (BBM) and basic chemicals. To enhance the business and its operation, the company consistently strengthens innovative information technology platforms. This enables the monitoring of product movements, inventory positions, and end-to-end product planning.

Throughout its history, AKR has formed strategic partnerships with various collaborators to expand its market reach and customer base. The company engages in strategic collaborations involving integrated industrial areas and ports such as JIPE, as well as partnerships in the fields of chemicals, retail BBM, and aviation fuel. Currently, AKR has built a robust logistics infrastructure, involving 17 sea and river ports, as well as 20 storage tank points across the Indonesian archipelago.

Operational Locations

[SEOJK C.3][SEOJK C.4][GRI 2-1][GRI 2-6]



Sumatera	Java-Bali	Kalimantan	Sulawesi
45,300 kL	592,000 kL	151,600 kL	30,500 kL
Medan Anggada Medan Gabion Palembang Andahanesa Lampung	Tj. Priok Banten Ciwandan Semarang Tj. Emas Surabaya Nilam Timur Surabaya Nilam Utara Terminal Nilam Utara (TNU) Bandung Bali Jakarta Tank Terminal (JTT)	Stagen – Kalsel Pontianak Banjarmasin Palaran Buntok Muara Teweh	Bitung

The AKR Footprint

On November 28, 1977, PT AKR Corporindo Tbk was established in Surabaya under the name PT Aneka Kimia Raya where it was initially involved in the trade of basic chemicals. In the 1970s, rapid growth in storage tanks for basic chemicals and warehouses at several major ports in Indonesia positioned AKR as the largest distributor of chemicals in the country.

In the 1980s, business growth drove AKR to relocate its headquarters to Jakarta. Subsequently, in 1994, the Company conducted its first public offering (IPO) and was listed on the Indonesia Stock Exchange. The IPO took place on October 3, 1994, with the stock code AKRA.

In 2004, in response to increasingly diverse business developments, the Company changed its name to PT AKR Corporindo Tbk. As listed in the company's Articles of Association, AKR's business activities include chemicals, petroleum products (BBM), gas, logistics, transportation services, warehouse and tank rentals, workshops, expedition and packaging, construction contractors and services (excluding legal services), as well as acting as a representative and/or agency for other companies, both domestically and internationally.

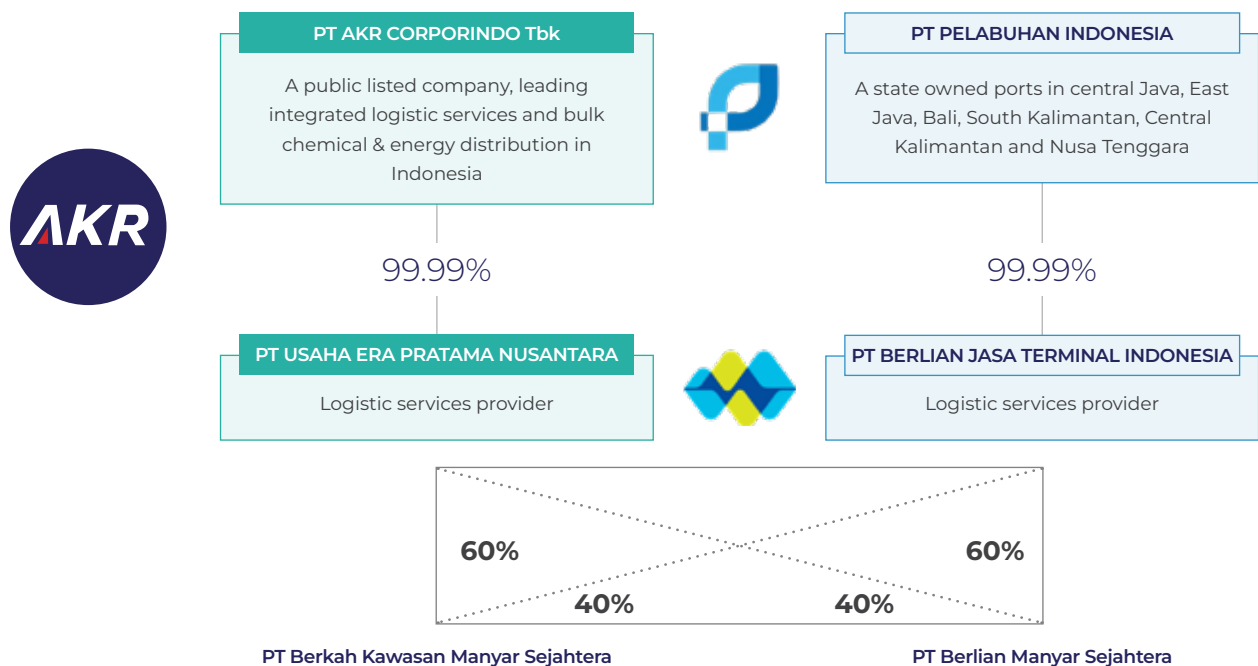
In 2005, AKR became the first national private company to distribute non-subsidized fuel products. In 2010, with increasing trust from stakeholders, AKR was assigned to

distribute subsidized fuel to several regions in Indonesia by the Oil and Gas Downstream Regulatory Agency (BPH Migas).

In 2013, AKR entered into a strategic partnership with Pelindo for the Java Integrated Industrial Port Estate (JIPE) project in East Java. Located in Gresik, East Java, JIPE is designed to be one of the largest integrated industrial and seaport estates in Indonesia, equipped with a deep-sea port and other supporting facilities.

In its implementation, the JIPE project is managed by PT Berkah Kawasan Manyar Sejahtera (BKMS) for industrial area developments, while PT Berlian Manyar Sejahtera (BMS), is responsible for the operation of the deep-sea port. While in BKMS, AKR owns 60% of the Company's shares indirectly through UEPN, while Pelindo owns 40% indirectly through BJTI. Share ownership applies otherwise to PT BMS.

On June 28, 2021, the government issued Government Regulation (PP) No. 71 of 2021 designating JIPE as a Special Economic Zone (SEZ) for Technology & Manufacturing. This step positions JIPE as one of the most competitive industrial zones, attracting industry players in the Java and Eastern Indonesia regions. Gresik JIPE SEZ aims for technology and manufacturing development and is a National Strategic Project and is set to become the location for the world's largest Copper Smelting Plant. The groundbreaking ceremony for this project took place in August 2021, with the presence of the President of Indonesia.



In 2017, AKR began a strategic partnership with bp to develop the retail market for petroleum (BBM) and lubricants, as well as to distribute aviation fuel at various airports in Indonesia. Concurrently, AKR strengthened its position in the fuel distribution industry with the opening of bp AKR gas stations.

In 2020, AKR Corporindo Tbk and the PETRONAS Chemicals Group Berhad formed a joint venture to distribute chemicals in Indonesia. This collaboration was executed through their respective subsidiaries and has been active since 2021.

Furthermore, on August 4, 2021, AKR expanded its presence in the clean energy sector by establishing a joint venture gas distribution company with PT Bayu Buana Gemilang (BBG). Through this joint venture, PT Berkah Buana Energi (BBE), a company owned by AKR, manages the distribution of natural gas in the Java Integrated Industrial Port Estate

(JIPE) Special Economic Zone (KEK) in Gresik and its surroundings, as well as explore opportunities beyond JIPE. AKR holds a majority ownership of 65%, while BBG owns 35%.

By the end of 2023, the number of bp AKR gas stations had reached 46 outlets. The implementation of an innovative integrated technology system strengthens confidence in AKR as a business entity for the supply and distribution of certain types of fuel oil (P3JBT). Going forward, the company continues to expand its market coverage and customer base through cooperation with leading partners in the industry.

In early 2024, AKR established PT Berkah Renewable Energi Nusantara (BREN), a business entity focused on operating power plants and related energy provision activities, based in Gresik, East Java.

Note :

More detailed information about the history of AKR Corporindo can be found in the Annual Report.

COMPANY VISION, MISSION, AND VALUES

[SEOJK C.1]

VISION

To be the leading provider of logistics services and supply chain solutions for bulk chemicals and energy distribution in Indonesia.

MISSION

Optimizing our potential to build stakeholders value.



COMPANY LOGO INTERPRETATION



The company logo is designed to refer to the vision of becoming a leading player in logistics services provision and procurement solutions for chemicals and energy in Indonesia. This vision is guiding the company to achieve global excellence through asset and resource management, partnerships, and business strategies that drive the Company's progress on a large scale.

1. The company logo is formed by placing the letters "AKR" from the company's acronym at its center.
2. The acronym "AKR" is positioned within a blue circle to signify that AKR is a globally reputed business entity.
3. The red color on the letter "A" in the acronym "AKR" symbolizes a light representing the sincerity and honesty of the company in conducting business through healthy and responsible business activities.
4. The white color on the acronym signifies a professional attitude and the Company's commitment to comply with applicable business regulations, always prioritizing fair and equal business competition practices.

Company Business Activities

[SEOJK C.4][GRI2-6]

AKR has diversified its business activities across various fields, including industry, trade, transportation, warehousing (including rental and leasing activities without option rights), labor, travel agency, and other supporting business activities. Additionally, the company is involved in the procurement of electricity, gas, steam, hot water, and cold air, as well as professional, scientific, and technical activities in the form of construction services. Adjustments to these business activities are based on changes in Article 3 of the Company's Articles of Association approved at the Extraordinary General Meeting of Shareholders on April 28, 2022.

In carrying out its business activities, AKR engages in two types of activities: main business activities and supporting business activities. The Company's main business activities are divided into four clear segments, including trading and distribution of Petroleum (BBM) and Basic Chemicals, logistics infrastructure, manufacturing, and integrated industrial and port areas. Meanwhile, supporting business

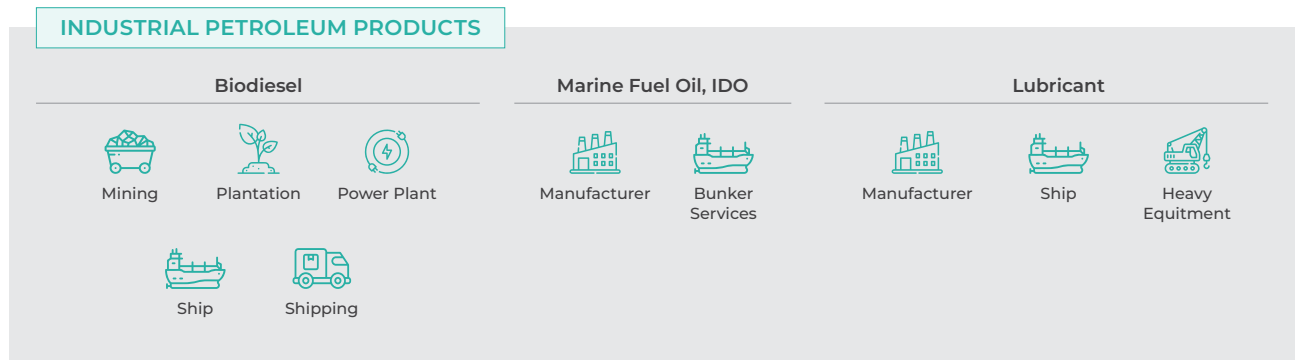
activities include transportation and warehousing, construction, and the procurement of electricity, gas, steam, hot water, and cold air. This alignment reflects the sustainable diversification and expansion within AKR's business scope.

Trade and Distribution

Non-subsidized Industrial Petroleum

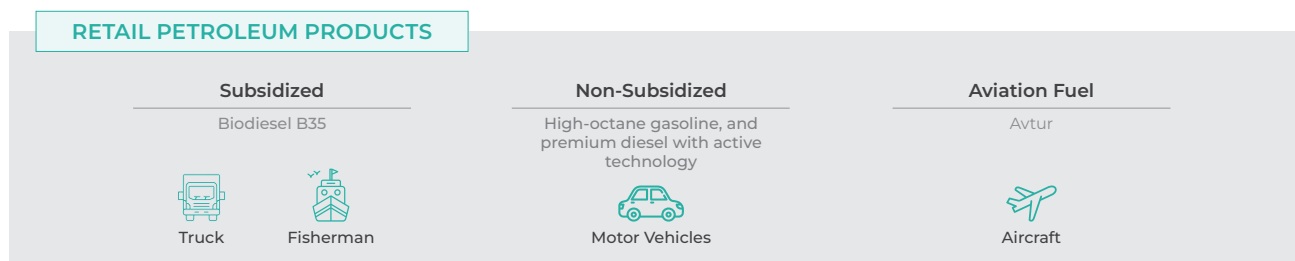
Since 2005, the Company has been actively involved in the distribution of non-subsidized industrial petroleum products and continues to expand its logistics network facilities to serve customers in various sectors, including mining, power generation, manufacturing, transportation, and bunker storage. With strategically located tank terminal facilities at several major ports in Indonesia, the total capacity has reached 819,400 KL.

The Company has also been engaged in the distribution of biodiesel since August 2018 as part of the government's commitment to reduce greenhouse gas emissions, enhance energy resilience, and achieve a 23% contribution target from New and Renewable Energy (EBT) by 2025. Through its extensive network of industrial customers, AKR facilitates the use of clean energy in various industrial sectors.



Non-subsidized Retail Fuel Oil

Since April 2017, the Company has collaborated with bp to develop the retail fuel industry in Indonesia through a joint venture named PT Aneka Petroindo Raya, known as "bp AKR Fuels Retail." The bp AKR gas stations provide premium fuel with Euro 4 standards and offer unique services such as a mini-market and food outlets. By the end of 2023, PT Aneka Petroindo Raya had opened 46 bp AKR gas stations in various locations, including Jabodetabek, Surabaya, Malang, and the rest area of the Cipularang Toll Road.



Subsidized Retail Fuel Oil

The company has been entrusted by BPH Migas since 2010 to distribute subsidized Motor Vehicle Fuel (BBM) through Motor Vehicle Fuel Filling Stations (SPBKB) and Fishermen's Fuel Filling Stations (SPBN) under the brand AKRA SOL, which is currently a Biodiesel product.

AKR manages SPBKB and SPBN located in various regions of Indonesia, including the islands of Sumatra, Java, Bali, and Kalimantan. Regularly, the company receives tasks for distributing subsidized biodiesel from BPH Migas and participates in the One Price Fuel program in the 3T (Outermost, Frontier, and Disadvantaged) regions.

Product Type	Product
Non-subsidized Industrial Fuel	Biofuel (B35) Industrial Diesel Oil (IDO) Fuel Oil (FO)
Non-subsidized Retail Fuel	Gasoline RON 90, RON 92, RON 95 High Quality Diesel
Subsidized Fuel	Biofuel (B35)

Basic Chemicals

AKR is the main distributor for PT Asahimas Chemical, providing basic chemicals such as chlor-alkali, solvents, and various organic and inorganic substances. The Company is also actively involved in trading and distributing basic chemicals from both local and international suppliers. In the 1970s, AKR constructed the first storage tank terminal in Indonesia.

PRODUCT

BASIC CHEMICAL PRODUCTS

- Caustic Soda
- Soda Ash
- Sodium
- Sulphuric Acid
- Hypochlorite
- Hydrochloric Acid
- Hydrogen Peroxide
- Sodium Sulphate
- PVC Resins
- Methanol

CUSTOMERS

- Smelter
- Home Care and Personal Products
- Textile
- Glass
- Pulp and Paper
- Fertiliser
- Chemical and Pharmacy
- Plastic
- Food Additive

Lubricants

The Company is expanding its lubricants business through a subsidiary of PT Anugerah Krida Retailindo, namely PT Anugerah Lubrindo Raya (ALR), established on February 7, 2019. ALR engages in the trade and distribution of lubricants for the industrial, maritime, mining, and commercial vehicle sectors under the Castrol brand.

Aviation Fuel

The Company formed a joint venture with Air bp in November 2016 to distribute aviation fuel at airports in Indonesia. This joint venture led to the establishment of PT Dirgantara Petroindo Raya (DPR). In August 2019, DPR officially opened the first Avtur Depot at the dedicated

IMIP airport in Morowali, Central Sulawesi. This milestone positioned the Company as the first private enterprise to distribute aviation fuel in Indonesia.

Gas

The company and PT Bayu Buana Gemilang (BBG) signed a joint venture agreement on August 4, 2021 in which PT Berkah Buana Energi (BBE) was formed to manage the natural gas distribution network through pipelines from the source to customers. The initial focus of the JV company is to develop business in the JIPE Special Economic Zone (KEK) in Gresik, East Java, to meet the industrial needs in that area. AKR holds a 65% ownership stake, while BBG holds 35%.

Logistic Services

Through its subsidiary, PT AKR Transportasi Indonesia, the Company provides land transportation services to support logistics and distribution operations. The Company also owns large vessels used to transport products to consumers and collaborates with third parties through PT AKR Sea Transport. In addition to the Company's storage tanks, PT Jakarta Tank Terminal, a subsidiary of the company, operates an independent tank terminal with a total capacity of 350,000 cbm at the Tanjung Priok port. The Company continues to expand crucial infrastructure for receiving, storing, and transporting various products in large quantities.

Product Type
Bulk Handling Services
Container Handling Services
Land and Sea Transportation
Storage Tanks
Vendor Managed Inventory
Warehousing

Manufacturing

The manufacturing segment of the Company is represented by PT Arjuna Utama Kimia (Aruki), based in Surabaya, East Java. Aruki specializes in the production of high-quality wood adhesive materials, supplying various companies in the wood and paper industry in Indonesia.

Product Type	Service Type	Service Type
Urea-formaldehyde Resin	Uloid	Plywood & wood lamination
High Solid Urea- formaldehyde Resin	Uloid	Particle Board and MDF
Melamine- formaldehyde Resin	Uloid	Plywood & wood lamination
Planol- formaldehyde Resin	Uloid	Plywood & wood lamination
Two Component Vinyl Urethane Adhesive	Struct Bond	Wood working, Furniture, Flooring & FJLB
Polyacrylamide Monomer (PAM) Resin	HOFMANN	High performance dry strength enhancement resin for paper
Polyacrylamide Monomer (PAM) Resin	HOPELON	High performance dry strength enhancement resin for paper
Melamine Resin	URAMIN	Paper wet strength improvement resin
Poly Vinyl Acetate	PVAc	Multipurpose glue for wood and paper

Industrial Area

As part of its sustainability strategy since 2013, AKR, together with Pelindo, has invested in the Java Integrated Industrial and Port Estate (JIPE) in Gresik, East Java. The goal is to provide logistics and energy solutions for industrial customers and with a total area of 3,000 hectares, JIPE aims to become the largest integrated industrial area with a port in Indonesia. Of this total area, 1,761 hectares are designated as an industrial area, 406 hectares for the seaport, and 800 hectares for residential and commercial spaces, developed by the affiliated company PT AKR Corporindo Tbk.

Business Line	Product
Industrial Estate	Industrial Land
Port and Port Services	Bulk Handling Services
Utilities & Infrastructures	<ul style="list-style-type: none"> • Power Plant • Water Treatment Plant • Waste Water Treatment Plant • Gas • Fiber Optics • Port Services

Markets

AKR operates storage tanks and distribution terminals in 17 ports across Indonesia. With a comprehensive logistics fleet, including ships and trucks for the delivery of fuel oil and basic chemicals, the Company has served thousands of businesses and industries throughout Indonesia. Distribution encompasses biodiesel, fuel oil, and Euro 4 standard fuels to various industrial sectors, including commercial, mining, power generation, manufacturing, construction, fisheries, bunkering, and more.

Additionally, the Company has collaborated with bp Global to develop non-subsidized retail and aviation fuel segments. Currently, the Company manages 46 bp-AKR gas stations in Jabodetabek, Surabaya, Malang, and toll rest areas. For aviation fuel (avtur), the Company formed a joint venture, Air bp-AKR, which has established two depots in Indonesia.

The Company also distributes biodiesel for motor vehicles and fishermen through the subsidized retail segment. AKR sells biodiesel and RON 92 gasoline for motor vehicles and fishermen on the islands of Java, Sumatra, Kalimantan, and Sulawesi.

Green Energy Products

[GRI2-1] [SEOJK F.5]

The Company is actively involved in developing supporting businesses related to environmentally friendly green energy products, including:

- Providing high-quality biodiesel and Euro 4 gasoline
- Operating natural gas and solar power plants, implemented in the JIPE Gresik Special Economic Zone.

GENERAL INFORMATION AND COMPANY IDENTITY

[GRI 2-1] [GRI 2-6]

Company Name [GRI 2-1]

PT AKR Corporindo Tbk

Establishment Date

28 November 1977

Legal Entity Status [GRI 2-1]

**Public Limited Company
(PLC)**

Business Field [GRI 2-6]



Trading and Distribution



Logistics Services



Manufacturing



Industrial Area

Stock Listing on the Stock Exchange

**Indonesia Stock Exchange,
October 03, 1994**

Bonds

**Shelf Registered Bonds I AKR
Corporindo, 1st Tranche Year 2017,
C Series**

Authorized Capital (Before Stock Split)

Rp750,000,000,000

divided into 37,500,000,000 shares,
each with a nominal value of Rp20.

Paid-up Capital (Before Stock Split)

Rp401,469,492,000

with a composition of 20,073,474,600 shares
with a nominal value of Rp20 placed in the company.

Legal Basis of Establishment [GRI 2-1]

Deed Number 46 dated November 28, 1977, made before Sastra Kosasih, a Notary in Surabaya, and has been legalized as a legal entity based on the Decree of the Minister of Justice of the Republic of Indonesia Number Y.A.5/161/7 dated June 14, 1978, and has been announced in the State Gazette of the Republic of Indonesia Number 101 dated December 19, 1978, Supplement Number 741/1978.

Headquarters Address [SEOJK C.2]

**AKR Tower 26th Floor
Jl. Panjang No.5 Kebon Jeruk
Jakarta Barat 11530, Indonesia**

Corporate Contact

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+62 21 5311388, 5311185

corporate.secretary@akr.co.id

Number of Employees

2.813

people

Shareholders

60,17%

PT Arthakencana Rayatama

38,16%

Public

1,68%

Treasury Stock

Business Scale

[SEOJK C.3]

(in thousand Rupiah, unless stated otherwise)

Description	Unit	2023	2022	2021
Total of Employees	Employee	2,813	2,645	2,613
Total Assets	Rp billion	30,255	27,188	23,509
Total Sales and Revenue	Rp billion	42,087	47,550	25,707
Total Net Profit for the Current Year	Rp billion	3,078	2,403	1,135
Total Equity	Rp billion	14,043	13,155	11,299
Total Liabilities	Rp billion	16,212	14,033	12,210



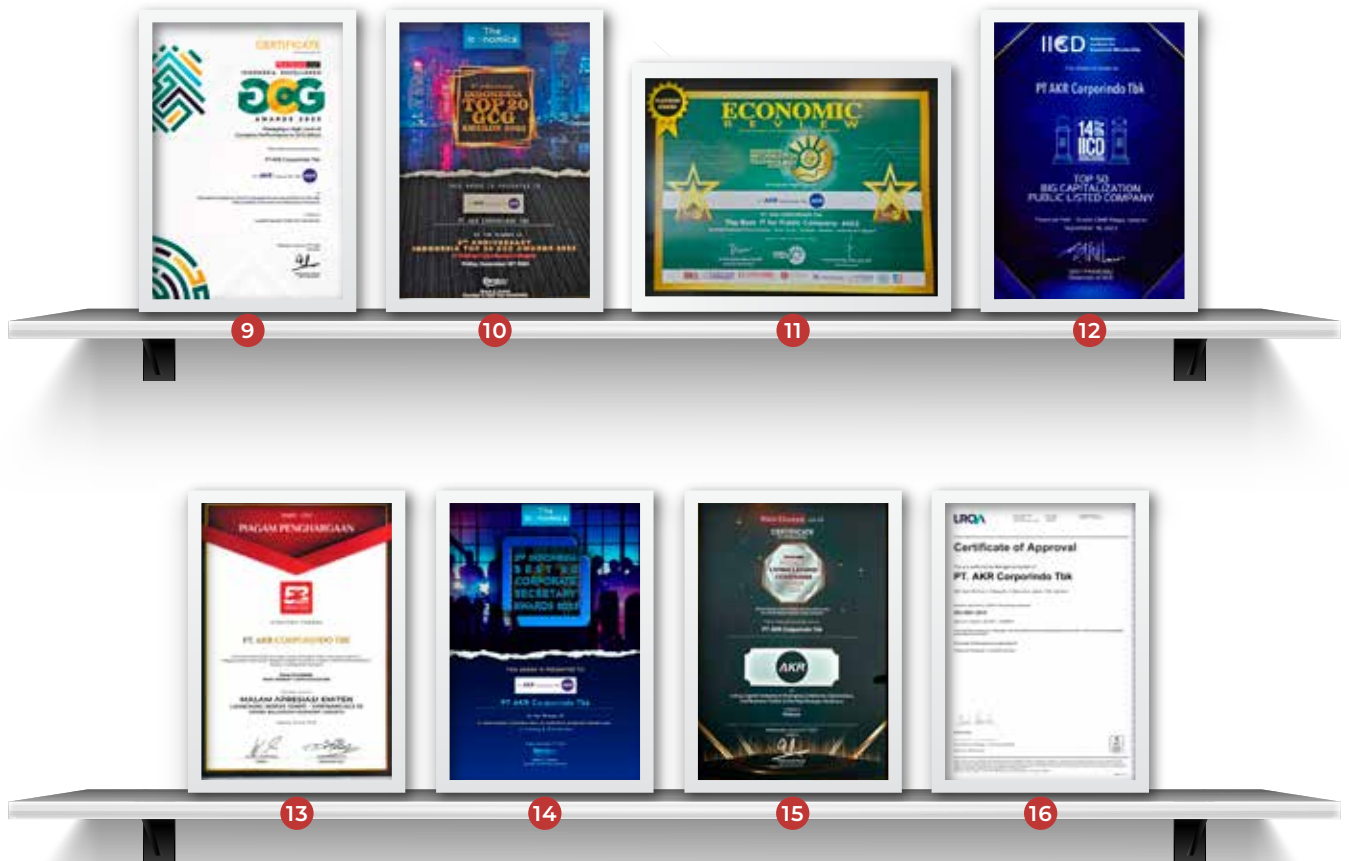
AKR received an award from BGK Foundation for ESG Disclosure Transparency Award 2023 on 29th November 2023.

AWARDS AND CERTIFICATIONS



Awards

1. Indonesia Best Business Transformation 2023 – by SWA
2. The Readiness Human Capital, The Talent in Management, The Most Resilience Company 2023 by Human Capital on Resilience Excellence Awards (HCREA) 2023
3. Transparency of 2023 Corporate Emissions Calculations for the Platinum Category
4. 2nd Best Indonesia Finance 2023, Category Public Company – Wholesale (Asset Rp 1T – 5T), by Economic Review
5. The Most Innovative Basic Industry Chemicals Company for The Development High Quality Products through The Use of Technology, Indonesia Digital Innovation Awards 2023 by Warta Ekonomi
6. 1st Best Indonesia Enterprise Risk Management 2023, Category Public Company - Wholesale (Asset Rp 1T - Rp5T), by Economic Review
7. 1st Best Indonesia GCG 2023 , Category Public Company - Wholesale (Asset Rp 1T - Rp5T), by Economic Review
8. The Best Oil and Gas Company - Bisnis Indonesia Awards 2023
9. Indonesia Excellence GCG Awards 2023 - AKRA Managing a High Level of Company Performance in GCG Ethics, by Warta Ekonomi



Certifications

- 10.** Indonesia Top 20 GCG Awards 2023 in Trading & Distribution by The Economics
- 11.** The Best IT for Public Company - Category Industry by Economic Review
- 12.** Top 50 Big Capitalization Public Listed Company 2023 – IICD
- 13.** High Dividend & High Market Capitalization based on Indeks Tempo - IDN Financials 52
- 14.** Indonesia Best 20 Corporate Secretary in Trading & Distribution by The Economics
- 15.** Living Legend Company in Managing Collaborate Stakeholders & Business Trends to Develop Strategic Resilience Category Platinum by Warta Ekonomi
- 16.** **ISO 9001:2015**
Scope Industrial Petroleum Trading & Distribution (Branch: Medan, Pontianak, Jakarta, Lampung, Bandung)

IMPORTANT EVENTS



February 7, 2023

Visit of the Vice President of RI to the JIPE Gresik Industrial Estate – Signing a MoU for Gas Station Development Cooperation

During his visit, Mr. Ir. Prof. Dr. (HC) K.H. Ma'ruf Amin expressed appreciation for the progress of the JIPE Gresik Industrial Estate in terms of investment and supporting infrastructure. The visit continued with the signing of a Memorandum of Understanding between AKR's subsidiary, PT Aneka Petroindo Raya (a Joint Venture between AKR and BP), and PT Jatim Sarana Utama for the expansion of BP station networks in several locations in East Java.



April 28, 2023

Distribution of Dividends for the Fiscal Year 2022

During the Annual General Meeting (RUPS), approval was granted for the dividend payment of Rp1.48 trillion, equivalent to Rp75 per share. This amount represents 61.6% of the 2022 net profit, which reached Rp2.4 trillion.



July 28, 2023

Establishment of PT Anugerah Kreasi Pratama Indonesia

AKR, through its two subsidiaries, PT Andahanesa Abadi (AA) and PT Usaha Era Pratama, established a new business entity named PT Anugerah Kreasi Pratama Indonesia (AKPI) to engage in warehousing operations.



October 2, 2023

Establishment of PT Berkah Bunker Service

Through its subsidiaries, PT Anugerah Krida Retailindo and PT Andahanesa Abadi, AKR established a business entity providing port services for seaports, namely PT Berkah Bunker Service (BBS).



May 10, 2023
Strategic Collaboration in Meeting Electricity Needs at JIPE

PT PLN (Persero) supports the provision of electricity in the Gresik Special Economic Zone (SEZ) up to 240 MVA by facilitating reliable, high-quality, and competitively priced electricity supply for industrial customers throughout Indonesia.



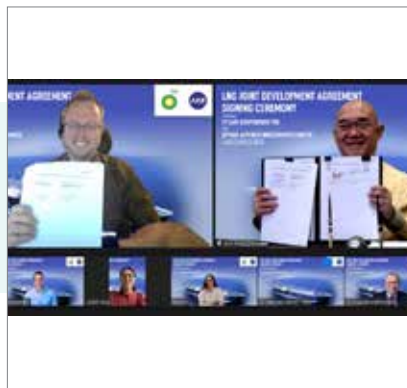
June 20, 2023
President of the Republic of Indonesia Inaugurates the Construction of the Largest Copper Foil Factory, Hailiang

President Joko Widodo conducted the ground-breaking ceremony for the largest copper foil factory in Southeast Asia, PT Hailiang Nova Material Indonesia, in the Integrated Industrial Estate JIPE Gresik.



October 20, 2023
Purchase of AKRA 103 fleet

AKR has increased its capital by Rp80 billion in its subsidiary, PT Sea Transport (AST), to acquire the AKRA 103 fleet.



December 6, 2023
Joint Development Agreement with BP GAS & POWER

AKR has signed a Joint Development Agreement with BP GAS & POWER INVESTMENTS LIMITED (bp) to develop an LNG project involving a regasification terminal in the JIPE Industrial Estate in Gresik.



January 5, 2024
Establishment of Business Entity PT Berkah Renewable Energy Nusantara (BREN)

PT Berkah Renewable Energy Nusantara (BREN) is a subsidiary of the Company engaged in the operation of power plants and other activities related to energy provision domiciled in Gresik, East Java.

Membership In Associations

[SEOJK C.5] [GRI 2-28]

AKR is actively involved in various relevant industry associations, solidifying its position as a committed stakeholder in supporting the development of its business sector. Through this involvement, the Company actively participates in various forums, discussions, and joint initiatives with other stakeholders, achieved through collaboration with various industry associations and stakeholders, including:

Name of Association	Position
Asosiasi Pengusaha Indonesia (APINDO)	Member
Kamar Dagang dan Industri Indonesia (KADIN)	Member
Asosiasi Emiten Indonesia (AEI)	Member
Indonesia Corporate Secretary Association (ICSA)	Member

BOARD OF DIRECTORS' MESSAGE

[SEOJK D.1] [GRI 2-22]

AKR has set a course that will not only strengthen the Company's performance and profitability, but also play a central role in Indonesia's drive towards a low-carbon economy and a more inclusive future.

Haryanto Adikoesoemo
President Director



Dear Stakeholders,

Welcome to the PT AKR Corporindo Tbk (AKR) 2023 Sustainability Report. This report is a testament to AKR's dedication and outlining the efforts we have made towards a more resilient and better future. We are excited to share our journey with our valued stakeholders, as AKR continues to "Progressing with Purpose", building on our vision for a sustainable tomorrow.

In a world rebounding from the pandemic, organizations are endeavoring to reinstate their operational vigor and performance metrics. The challenge of rallying performance in 2023 has been particularly formidable, as companies navigate the complexities of escalating interest rates, surging inflation, and pervasive geo-political tensions. These elements have collectively impinged on the intricacies of supply chains and the fluidity of capital movements.

Domestically, Indonesia's government has endorsed policy normalization post-pandemic to foster economic growth and control inflation, showcasing resilience with robust domestic demand and supply until Q3 2023. The impending elections will undoubtedly shape business and investment decisions, yet our investment sector has seen a 4.2% growth, buoyed by the government's infrastructural initiatives and mineral downstreaming efforts.

Amidst this situation, AKR continued to show strong and stable growth. Thanks to a solid business model, we were able to maintain solid performance. With a strategy that focuses on the suitable management of working capital and operational costs, we ensured a healthy financial position. The combination of a robust business model and mature risk management results in consistent and reliable growth and performance.

STAYING ON THE ESG COURSE

While many businesses are faced with uncertainty and may have to adopt a wait-and-see approach in executing transition strategies amid calls for climate action and ESG integration, AKR has set our course that will not only strengthen the Company's performance and profitability, but also play a central role in Indonesia's drive towards a low-carbon economy and a more inclusive future.

The objective of AKR's ESG strategic direction is very clear. Not only do we want to do well, but we also want to make a good impact from our growth. This passion and purpose is clearly reflected through the AKR Sustainability House "Progressing with Purpose" and its four main pillars: Our Business Portfolio, Our People, Our Communities, and Our Conduct.

PROGRESSING OUR BUSINESS

Achieving excellence is imperative not only for our success but also for our capacity to contribute positively. In the 2023 financial year, AKR's net profit climbed by 16% to reach Rp 2,780 billion, improving from the Rp 2,403 billion in the previous year. Reflecting a robust Compound Annual Growth Rate (CAGR) of 31% over the last five years, our growth trajectory has been driven by trade, distribution, and logistics segment, with a notable enhancement from the Industrial Estate segment's performance.

In addition, we believe that this year's achievements are a result of good communication and oversight from management. Communication is the key to success amidst a dynamic year like 2023. AKR conducts meetings at various levels of management which allows us to analyze and make decisions quickly, allowing AKR to adapt to the changing market conditions.

In 2023, AKR has diligently bolstered our investments in businesses that champion sustainability. These strategic investments encompass new energy, LNG, biofuels, more efficient fleet operations, and the development of green industrial estates. We are leveraging cutting-edge technology and Artificial Intelligence (AI) to optimize our operational planning and logistics routing. This innovation and commitment have enabled us to maintain our total emission intensity at 0.02 tons of CO₂ per million of gross profit generated. This stability in emission intensity, achieved despite increased business activities, fleet expansion, and a growing number of tenants in JIPE.

In the Company's effort to support the energy transition and expand the use of renewable energy mix, AKR actively participated in the government's B35 biodiesel program and initiated the use of solar panels. This year, we managed to increase the proportion of renewable energy usage to 27% of the Company's total energy consumption, up from 23% in the previous year.

In the green industrial estate business segment, AKR's JIPE Gresik Special Economic Zone demonstrated its strength as the first rank of the ten special economic zones in Indonesia that had helped to create positive multiplier effects. Until the end of 2023, KEK JIPE managed to attract investment of Rp71.5 trillion and provide jobs for 32,000 people in companies located in KEK JIPE.

PROGRESSING OUR PEOPLE

AKR realizes that our achievements are inseparable from the performance of our people. For this reason, the Company continues to ensure the advancement, health and safety of our people. In 2023, we recorded zero fatalities and zero major safety incidents, including a cumulative total of safe trips from the land transportation fleet that reached more than 34.31 million kilometers.

To nurture the competence and professional growth of our employees, this year we invested more than Rp1.45 billion for training and development initiatives at the holding company level, for both technical, targeted, and mandatory trainings.

AKR's people development is aligned with our corporate values of entrepreneurship, collaboration, agility, reward for performance, team empowerment and zero tolerance for non-compliance. These values are continuously reinforced through communication tools such as newsletters, performance reviews, and direct messages from top management. We are committed to creating an inclusive and equitable work environment where every individual has equal opportunity, free from discrimination based on gender, ethnicity, race, or religion. The Company also put an emphasis on gender equality as we appoint women in leadership and managerial positions. As a result, by the end of 2023 AKR's female employees who held middle to senior management levels reached 24%.

In recognition of our efforts, AKR was awarded the Human Capital on Resilience Excellence Award 2023 (HCREA) by First Indonesia Magazine. This award recognizes our commitment to developing agile human talent capable of adapting to the changing business environment. The Board of Directors and Commissioners aspires that our efforts in human capital development and managing a healthy work environment will maximize the potential of everyone, both professionally and personally.

PROGRESSING OUR COMMUNITIES

Echoing the wisdom of a Chinese proverb, "A good neighbor is a found treasure," AKR has thrived for 63 years amidst the graciousness of supportive communities. AKR has pledged from day one to be a good neighbor for our communities through various approach and engagements.

In 2023, our commitment to corporate social responsibility (CSR) was evident in the realization of more than Rp24 billion for various community development programs, an increase of 6% from the Rp 22.85 billion spent in the previous year.

But our commitment goes beyond CSR. We believe in growing with our local communities. This year, 84% of our parent company's employees were hired locally.

We are also committed to supporting local business. In 2023, the local content in our biodiesel products reaching (Tingkat Kandungan Dalam Negeri – TKDN) over 40%. In parallel, AKR ensures that the local procurement of goods for each project meets a minimum local content threshold of 30%, thereby promoting local product and the values of sustainability.

PROGRESSING OUR CONDUCT

For AKR, ethical conduct and compliance are not mere obligations, but integral elements woven into the cultural fabric of the company. In line with this ethos, we are proud to report that AKR adheres to the highest ethical standards, as evidenced by zero incidents of corruption and no violations of laws and regulations in 2023. This exemplary behavior is also reflected in our commitment to transparent reporting, with the annual Sustainability Report published in accordance with POJK 51/2017, GRI Standard 2021 and SASB Standard.

We also launched and refined several policies to strengthen our ESG governance this year, including those on health, safety, environment, human rights and sustainable sourcing. These policies are reinforced by our newly revised Code of Ethics and Conduct, which responds to the changing dynamics of the business world. These policies is instrumental to encourage each AKR employee's commitment to behave in a manner consistent with the company's values and to incorporate these principles into their daily activities.

GUIDING PROGRESS

The Board of Director would also like to highlight the Company's ESG Committee and ESG Task Force which have done an excellent job to ensure AKR's sustainability strategy being executed. In addition, AKR consistently opens dialogue with various stakeholders to receive feedback on how the Company can integrate ESG even further in our business operations.

We will continue to engage our stakeholders to guide our progress with purpose. AKR looks forward for collaboration with various internal and external stakeholders to achieve shared goals which benefits the economy, environment, people, and society.

As the Company moves forward, we have formulated our ESG aspirations. These aspirations are outlined in AKR Horizon 2023. This framework will be the compass that

directs AKR's ESG efforts and initiatives towards positive, measurable and impactful sustainability performance.

CLOSING REMARKS

Thank you to all members of the AKR family: employees, customers, partners and shareholders. Your support and contributions are the foundation of all our achievements and progress. Our deepest appreciation for your trust and support to drive us forward.

Moving forward, AKR is committed to continuous innovation and growth while being mindful of our responsibility to society and the planet.

All of our efforts are made with one goal in mind: to explore new opportunities, achieve higher returns, and create a better and more sustainable future for us all.

Jakarta, 5 April 2024
Atas Nama Direksi



Haryanto Adikoesoemo
President Director

BOARD OF COMMISSIONERS



Fauzi Ichsan
Independent Commissioner

Soegiarto Adikoesoemo
President Commissioner

Sofyan A. Djalil
Commissioner

BOARD OF DIRECTORS



Suresh Vembu
Director

Haryanto Adikoesoemo
President Director

**Bambang Soetiono
Soedijanto**
Director

Ter Murti Tiban
Director



Nery Polim
Director



Jimmy Tandyo
Director



Mery Sofi
Director

RESPONSIBILITY STATEMENT OF THE BOARD OF COMMISSIONERS FOR THE SUSTAINABILITY REPORT 2023 OF PT AKR CORPORINDO TBK

[SEOJK E.1][GRI 2-14]

We, the undersigned, certify that the Sustainability Report of PT AKR Corporindo Tbk for the 2023 financial year has been prepared with reference to the Indonesia Financial Services Authority Regulation number 51/POJK.03/2017 regarding the Implementation of Sustainable Finance for Financial Services Institutions, Issuers and Public Companies, and Circular Letter of the Indonesia Financial Services Authority number 16/SEOJK.04/2021 concerning the Form and contents of Annual Reports of Issuers or Public Companies.

All information in this Report has been prepared and presented in accordance to these regulations and we are fully responsible for the accuracy of the contents of the Company's Sustainability Report.

Jakarta, 5 April 2024

BOARD OF COMMISSIONERS



Soegiarto Adikoesoemo
President Commissioner



Sofyan A. Djalil
Commissioner



Fauzi Ichsan
Independent Commissioner

RESPONSIBILITY STATEMENT OF THE BOARD OF DIRECTORS FOR THE SUSTAINABILITY REPORT 2023 OF PT AKR CORPORINDO TBK

[SEOJK E.1][GRI 2-14]

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Jakarta, 5 April 2024

BOARD OF DIRECTORS



Haryanto Adikoesoemo
President Director



Jimmy Tandyo
Director



Bambang Soetiono Soedijanto
Director



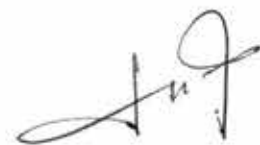
Mery Sofi
Director



Suresh Vembu
Director



Nery Polim
Director



Termurti Tiban
Director

- Implementation of the Environment, Social, and Governance (ESG) principles in AKR's sustainability strategy is reflected through a balance between business success and the management of the environment, social responsibility, and good governance. The Company is committed to providing sustainable value and maximum benefits for all stakeholders.

SUSTAINABILITY STRATEGY

Sustainability Commitment

[SEOJK A.1] [SEOJK E.5] [GRI 2-22]

AKR understands that every business activity it conducts must have ethical responsibility and be based on applicable regulations. Therefore, sustainable business development must begin by creating a balance between the needs of shareholders, the needs of the community, and environmental needs around operational areas. On the journey towards sustainability, AKR constantly strives to build a strong foundation of ethical behavior in every activity, both in production and operations.

As envisioned in the Company's Mission, AKR has a noble purpose; to provide maximum added value and benefits to stakeholders. This Mission forms the spirit and identity that is carried in building economic, social, and environmental performance for the sake of sustainable business continuity.

For AKR, the commitment to sustainability is an ambition that can only be achieved through a measured and directed long-term strategy. AKR must ensure that the business activities it manages will have a sustainable impact on stakeholders now and in the future. The challenge for AKR is setting the right goals, plans, ambitions, and targets in every business line, from logistics and distribution to industrial areas and the development and management of Special Economic Zones (SEZ).

The key to addressing this challenge is to go beyond business as usual. As a global corporate citizen, AKR must maximize efforts to achieve a balance between business growth, awareness of the environment, and the progress of the surrounding community. This is a common goal with the global community, outlined in the Sustainable Development Goals (SDGs), and Sustainable Development is the agenda of the Indonesian government.









As a company operating in the energy supply chain industry in Indonesia, AKR has mapped SDG targets that align with each business activity. Being a sustainable company is a commitment that must always be fought for and realized through strong spirit and optimism for the future.

Embedding Sustainability Across AKR's Business Lines

[GRI 2-23][GRI 2-24]

As a concrete effort to achieve sustainability, the Company has created a committee responsible for overseeing the formulation and implementation of matters related to economic, environmental, and social performance, namely the ESG Committee and ESG Task Force AKR. Broadly speaking, the ESG Committee and ESG Task Force AKR ensure the formulation of sustainability strategy policies to support the implementation of ESG in accordance with applicable industry standards.

To achieve this, the ESG Committee and ESG Task Force AKR have formulated AKR Sustainability House: PROGRESSING WITH PURPOSE, which includes 4 main pillars, namely:

Umbrella Sustainability Commitment And Statement And Elevator Pitch	<p style="text-align: center;">PROGRESSING WITH PURPOSE</p> <p>As a strategic holding company, AKR Corporindo aims to growing and progressing sustainably, our business portfolio spans from logistics and distribution, industrial estate, to the development and management of special economic zone. Through our business we touch millions of people and stakeholders. Therefore, we must do what we do in a sense that can benefit the economy, environment, people and society. This means we go beyond business-as-usual to balancing ambition with wisdom, and business success with environment consciousness, and social progress. For us, this is the meaning of sustainability – Progressing with Purpose.</p>			
Pillars	<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>Our Business Portfolio</p> </div> <div style="text-align: center;">  <p>Our People</p> </div> <div style="text-align: center;">  <p>Our Communities</p> </div> <div style="text-align: center;">  <p>Our Conduct</p> </div> </div>			
SDGs	<div style="display: flex; justify-content: space-around;"> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> <div style="text-align: center;">  </div> </div>			
Rationale of the pillar	<p>Building strong, robust and resilient business portfolio to support the evolving need of our customers and stakeholders</p>	<p>Nurturing, developing, and safeguarding our people as our most valuable assets.</p>	<p>Giving back to the communities wherever we operates</p>	<p>Operating responsibly and upholding ethical behaviour and legal compliance in everything that we do</p>
Action Areas/ Strategic Priorities	<ol style="list-style-type: none"> 1. Robust & Resilient Business Model 2. Strong financial Fundamentals 3. Operational Excellence & Utilization of Technology 4. Customer Engagement & Satisfaction 5. Management of Environmental Footprints 	<ol style="list-style-type: none"> 1. Labor & Employment Practice 2. Health & Safety 3. Employee Engagement, Diversity & Inclusion 4. Learning & Development 	<ol style="list-style-type: none"> 1. Community relations & development programs 2. Involving Local Suppliers 3. Providing opportunities for the local communities 	<ol style="list-style-type: none"> 1. Good Corporate Governance 2. Business Ethics 3. Compliance to Law and Regulations



AKR Horizon 2030

AKR Corporindo Sustainability Progress Tracker

Pillar	What We Want To Achieve (AKR Horizon 2030)	Where We Are Now (2023 Achievement) [SEOJK F.]	
OUR BUSINESS PORTFOLIO	Focusing on Investment and portfolio that are in support of sustainability and transition to low-carbon economy	AKR invested in sustainability-related projects, such as LNG, biofuels, rooftop solar panel, floating solar panel, and green industrial estate.	On track
	Adopt digital technology to support operational effectiveness, efficiency, and reduction of carbon emission	Adoption of digital real-time control tower and embedding Artificial Intelligence to better plan our operations and reduce carbon emission for AKR's logistic operation.	On Track
	Increase renewable energy mix used on AKR operations to 30% by 2030	27% renewable energy usage from the total energy consumption	On Track
	Zero significant spill at all operations	Zero significant spill at all operations	Achieved
	Maintain Emission intensity 0.02 tons CO ₂ e / Rp million Gross Profit	Emission intensity 0.02 tons CO ₂ e / Rp million Gross Profit	Achieved
OUR PEOPLE	Zero fatalities at all AKR's operations	Zero fatalities at all AKR's operations	Achieved
	Zero major safety incident at all AKR's operations	Zero major safety incident at all AKR's operations	Achieved
	Zero Human Rights incidents in the workplace	<ul style="list-style-type: none"> Published and socialized group-wide Human Rights Policy in 2023 Zero human rights incident in 2023 	Achieved
	Creating an inclusive workplace through achieving 30% middle-up management position held by women.	24% middle-up management positions in AKR are held by women	On Track
OUR COMMUNITIES	Providing jobs for the local communities	<ul style="list-style-type: none"> 84% local recruits in AKR Holding 32.000 total local workforce employed by factories in KEK JIPE 	Achieved
	Making a positive impact for the local economy through our procurement practice	43.31% TKDN in 2023	Achieved
	Contribute to local socio-economic development through social community programs and outreach at all AKR operations	100% AKR's subsidiaries carried out community development programs Rp24+ billion <i>channeled</i> for community development programs in 2023	Achieved
OUR CONDUCT	Maintain zero corruption incident	Zero corruption incident in 2023	Achieved
	Communicating our ESG progress transparently through Sustainability Reporting and ensure our reporting practice is aligned with national and international standard	Publish annual sustainability report using POJK 51/2017, GRI Standard 2021, and SASB standard	Achieved
	Ensuring adherence and compliance to law & regulation	Zero breach of law and regulation in 2023	Achieved

Our Business Portfolio

[GRI 3-2][GRI 3-3][GRI 2-25]

As a logistics and supply chain service provider, the level of stakeholder trust and satisfaction, including customers, significantly influences the sustainability of the Company's operations. Therefore, in addition to facilitating the trade of essential and critical products for the industry, AKR strives to provide the best service, foster two-way communication, and create harmonious relationships with all stakeholders. This is a manifestation of the Company's commitment to building a strong and resilient business portfolio.

To build a robust business model and create a strong financial foundation, AKR recognizes that changes and adaptations are always needed amid the challenges and complexities. To continue sustainable growth, the Company has undertaken several efforts, such as:

- Building operational excellence through technology.
- Adapting and meeting the evolving needs of customers and stakeholders. This includes not only facilitating the logistics supply chain for essential products but also supporting manufacturing growth through the JIPE Special Economic Zone.

AKR's current orientation is focused on ensuring that the Company adds value to stakeholders. This involves meeting the needs of industrial customers, acting as an extension of suppliers, conducting business in accordance with regulations, and providing profits and benefits to shareholders and employees.

In addition, to build a strong and resilient business portfolio, environmental aspects are equally important. In practice, AKR endeavours to ensure that operational activities have no negative impacts or risks to activities and the lives of the local community. Therefore, the Company has developed strategies and initiated efforts to transition to clean and environmentally friendly energy, creating a pollution-free, noise-free work environment, minimizing the risk of fire, and actively participating in addressing the impacts of climate change.

Our People

[GRI 3-2][GRI 3-3][GRI 2-25]

AKR acknowledges that in embarking on the long journey towards sustainability, employees are the most important factor that will determine the success or failure of the Company in achieving set values. Targets and objectives can only be maximized when supported by competent and quality Human Resources (HR). Therefore, AKR is committed to protecting labor practices through anti-forced labor policies, ensuring freedom of association, and adhering to values and practices of diversity, gender equality, human rights, and labor rights.

AKR also works to create a safe, healthy, and comfortable working environment by applying the highest standards in Occupational Health and Safety (OHS). This commitment has the ultimate goal of achieving zero accidents. AKR aims to create a safety culture across operational areas, which, in turn, can improve productivity, performance, and

the Company's success. This is demonstrated through an OHS management system, providing training, working towards achieving zero fatalities across subsidiaries, and providing healthcare facilities.

Considering the dynamics and challenges of an increasingly competitive business environment, AKR regularly conducts employee training and development to enhance the potential and quality of its workforce. All AKR employees are given equal opportunities to participate in training and development programs, creating a fair and inclusive working environment.

Our Communities

[GRI 3-2][GRI 3-3][GRI 2-25]

In conducting business, AKR is not only committed to realizing positive economic performance but also to providing broad benefits to the surrounding community, primarily in improving their welfare. Therefore, AKR provides job opportunities for people in surrounding operational areas, including entrusting them with positions in senior management. Additionally, The Company uses services and materials purchased from local suppliers, contributing to the increase in Domestic Component Levels (TKDN).

AKR seeks to implement various CSR programs that can provide tangible benefits to the surrounding community. In the planning process, the Company first identifies needs through two-way communication with the community to ensure that the implemented programs are targeted, sustainable, and effective. To maximize the performance of AKR's CSR, continuous innovation brings new breakthroughs in the programs.

Our Conduct

[GRI 3-2][GRI 3-3][GRI 2-25]

Realizing AKR's sustainability values begins with a commitment to strengthening Good Corporate Governance (GCG). Principles of transparency, accountability, responsibility, independence, and fairness are prioritized and serve as the main foundation for work across all business units. Openness is emphasized in decision-making processes and provides relevant material information.

AKR upholds ethical behavior and legal compliance in all activities. Therefore, the clarity of the function, implementation, and accountability of Company organs is in accordance with the regulations in Indonesia. To ensure various ESG initiatives, the ESG Committee has been formed, which is responsible for determining the Company's ESG strategy, providing recommendations, coordinating, reporting, and monitoring.

AKR is committed not only to treating business ethics and compliance as obligations but also to making them part of the habits and culture of all Company stakeholders. Therefore, business ethics and compliance have become guidelines for behavior and references for all employees in sustainably applying the Company's values.

Stakeholder Engagement

[SEOJK E.4] [GRI 2-29]

Stakeholders play a crucial role and contribute significantly in achieving shared goals, namely creating sustainable value. AKR has identified and implemented several stakeholder engagement methods that influence and are influenced by the Company.

Engagement methods are adjusted to the characteristics of each stakeholder, considering local wisdom in each operational area of AKR. The Company engages in two-way communication by listening to the aspirations, needs, suggestions, and criticisms of stakeholders. Based on these methods, identified stakeholders include:

No.	Inclusive Principles		Material Principles	Responsive Principles
	Stakeholder Groups	Identification Basis	Outcome, Topic, and Engagement and Communication	Level, Methods, and Frequency of Engagement
1	Shareholders	Topic of Engagement and Communication Results	Level, Methods, and Frequency of Engagement	Providing information and engagement. <ul style="list-style-type: none"> Regular publications (annual reports, quarterly financial reports, quarterly exploration reports) and website. Multi-stakeholder forums, holding Annual General Meetings (GMS), at least once a year.
2	Employees	D, R, T, I, P	<ol style="list-style-type: none"> Occupational Health and Safety Performance Employee Welfare 	Providing Information, Consultation, Negotiation, and Engagement <ul style="list-style-type: none"> Corporate newsletters, business unit bulletins, communication through email, intranet, website, social media, instant messaging. Employee engagement surveys, covering culture, satisfaction, perception, understanding of the Collective Labor Agreement, etc. Formulation and ratification of the Collective Labor Agreement for a period of 2 (two) years and its implementing regulations, which include provisions related to the rights and obligations of the Company and all employees in accordance with their respective employment relationships. Bipartite Work Agreement (LKS) and Quarterly Meetings between AKR and labor unions.
3	Government	D, R, T, I, DP, P	<ul style="list-style-type: none"> Empowering the community through CSR programs Payment of taxes and obligations to the State 	Fostering relations with stakeholders <ul style="list-style-type: none"> Providing input to the government on various policies and regulations Regular reporting (Environmental Impact Assessment, RKTTL, Post-Mining Plan, quarterly reports to the OJK, etc.) and website updates Consultations with ministries/agencies and offices, public consultation Development Planning Deliberations (Musrenbang) with local government; Tax payments, Non-Tax State Revenue (PNBP), and other obligations to the State
4	Suppliers	D, R, T, P	<ul style="list-style-type: none"> Transparency in the procurement of goods and services Economic, social, and environmental performance 	Providing Information and Collaboration <ul style="list-style-type: none"> Conducting regular open and transparent contract work offers (tenders); contract documents containing compliance with the law, including aspects of human rights, occupational health and safety, and the environment.

No.	Inclusive Principles		Material Principles	Responsive Principles
	Stakeholder Groups	Identification Basis	Outcome, Topic, and Engagement and Communication	Level, Methods, and Frequency of Engagement
5	Consumers	D, R, I, P	Product Quality and Services	Providing Information and Consultation <ul style="list-style-type: none"> • Making commercial contracts for product sales with guaranteed product quality, supply continuity, and delivery accuracy, conducted according to needs • Regular meetings with customers and customer satisfaction surveys at least once a year.
6	Community	D, R, T, I, DP, P	<ul style="list-style-type: none"> • Socialization and disbursement of CSR/TJSL Program funds • Community mentoring and empowerment • Management of economic, social, and environmental impacts 	Providing Information, Transactions, Consultations, Negotiations, Engagement, Collaboration, and Empowerment <ul style="list-style-type: none"> • Socialization of Environmental Impact Assessment (AMDAL); regular meetings with the local community; reports; CSR/TJSL Implementation website. • Receiving input from the community in the AMDAL process. • Involvement of the community in the planning, implementation, and monitoring and evaluation of CSR/TJSL and community development. • Collaboration in various multi-stakeholder initiatives with the local community, universities, local governments, partnerships with various institutions.





Explanation: Identification method based on the AA1000, 2018 Stakeholder Engagement Process:

- Dependency (D): AKR has dependencies on an individual or an organization, or vice versa.
- Responsibility (R): AKR has legal, commercial, or ethical responsibilities towards an individual or an organization.
- Tension (T): An individual or an organization has an influence on AKR regarding specific economic, social, or environmental issues.
- Diverse Perspective (DP): An individual or an organization has an influence on AKR or the strategy or policies of other stakeholders.
- Proximity (P): An individual or an organization has geographical and operational closeness to AKR.
- Influence (I): An individual or an organization has an influence on AKR or the strategy or policies of other stakeholders.

Strategic Sustainability Priorities and SDGs Mapping | SDGs Compass

The ESG Committee and ESG Task Force at AKR have established targets within the four main pillars to support the achievement of the 17 Sustainable Development Goals (SDGs) that align with all business activities of the Company. With this mapping of SDGs, it is hoped that the Company can provide significant benefits and advantages to stakeholders, including the community and the environment. What follows is an explanation of the targets for AKR's sustainability pillars and the achievement of SDGs:

[GRI 2-22] [GRI 3-2][GRI 3-3]

AKR's Sustainability Pillars	SDG Goals
<p>Our business portfolio</p> 	<ul style="list-style-type: none"> Engaging in climate change anticipation strategies through mandatory biodiesel as a transitional energy and reducing industrial emissions through Special Economic Zones. Promoting the development of technology to achieve operational excellence in biodiesel distribution. Investing in infrastructure through various projects, including the Java Integrated and Industrial Port Estate (JIPE) Special Economic Zone project, to drive inclusive and sustainable industrialization, increase job creation and gross domestic product, and foster industrial growth. Providing access to cleaner and/or renewable energy to industries through JIPE Special Economic Zone. Establishing partnerships to provide access to low-emission fuels to the public through bp AKR stations.
<p>Our people</p> 	<ul style="list-style-type: none"> Ensuring workplace safety and health and supporting employee welfare. Ensuring that employees receive inclusive and quality training and education. Promoting gender equality throughout the company's work environment. Supporting inclusive and sustainable economic growth in the workplace.
<p>Our communities</p> 	<ul style="list-style-type: none"> Reducing poverty through various social responsibility programs and community empowerment in the surrounding operational areas. Ensuring a healthy life and supporting the well-being of the surrounding communities. Ensuring inclusive and quality education for the surrounding communities. Promoting gender equality principles. Supporting inclusive and sustainable economic growth for the self-reliance and well-being of the surrounding communities.
<p>Our conduct</p> 	<ul style="list-style-type: none"> Supporting a peaceful and inclusive community for sustainable development. Strengthening the implementation measures and revitalizing global partnerships for sustainable development.








03

**Our
Business
Portfolio**

www.akr.co.id |

 Through a balanced business portfolio that focuses on innovation and sustainability, AKR strives to create positive economic, social, and environmental impacts for stakeholders.

AKR believes a strong and robust business portfolio will provide benefits when linked with sustainable operational activities. The Company enhances and maintains the balance of its portfolio to realize its vision of becoming a leading player in logistics services and procurement solutions for chemicals and energy in Indonesia.

A STRONG AND ROBUST BUSINESS PORTFOLIO

AKR understands that a portfolio requires consistent management when building a sustainable business foundation. Therefore, the Company constantly adapts and innovates to address challenges with strategic plans that enable maintenance of a good performance, while also creating sustainable value-added business that benefits all parties involved.

With a robust and diverse business portfolio, supply chain resilience, business continuity planning, technology adoption, and commitment to sustainability, AKR believes it can achieve sustainable business success.

AKR Business Transformation

AKR began its business journey in Surabaya in the 1960s in basic chemical trading. The Company continued to grow, expanding from logistics and trading to distribution and industrial zones (which later became Special Economic Zones (SEZs)). AKR is now not only a leading logistics and supply chain service provider for fuel and basic chemicals but also the developer of the JIPE Special Economic Zone in Gresik.

Since its inception, AKR has grown, adapted, and transformed in line with market developments, aiming to strengthen competitiveness through its potential and management of competitive advantages. From its beginnings trading basic chemicals, in 2005 AKR became the first national private company entrusted with distributing non-subsidized fuel. Five years later, it was also the first to distribute subsidized fuel and was permitted to open and operate Fuel Filling Stations (SPBKB) and Fishermen's Fuel Filling Stations (SPBN).

In 2013, together with Pelindo, AKR began development of the Java Integrated Industrial and Ports Estate (JIPE), an industrial zone integrated with a deep-sea port in Gresik, East Java. Currently, JIPE has been designated a National Strategic Project, and inaugurated as a Special Economic Zone (SEZ) for the Technology and Manufacturing sectors. In 2017, the company initiated further development in the retail fuel market with British Petroleum (bp), forming a joint venture to serve the large demand for premium quality fuel in Indonesia.

Along with this transformation, AKR adjusted its workflow and human resources, and continued to enhance information technology, focusing on domestic business development by divesting some of its port subsidiaries in China and reinvesting in Indonesia. As a result, the company has shown increasingly improved performance over the past 5 years, with a 31% CAGR. This success was achieved through portfolio consolidation, logistic infrastructure expansion, strategic partnerships with bp, and developing recurring revenue from JIPE.

The company is now moving to cleaner and renewable energy, establishing a JV, PT Berkah Buana Energi, with PT Bayu Buana Gemilang in 2021 to distribute natural gas to the JIPE SEZ and its surrounding areas.

In 2022, the Company began adding energy reserves to JIPE from solar power, with a capacity to be developed gradually. In 2023, AKR took several initiatives to enhance industrial facilities in JIPE, including the signing of a Joint Development Agreement with BP Gas & Power Investments Limited to develop an LNG project involving

regasification. Previously, 2 companies were established to operate in Gresik; PT.Anugerah Kreasi Pratama Indonesia (AKPI) for warehousing and storage, and PT.Berkah Bunker Service (BBS) for maritime port services. In early 2024, PT. Berkah Renewable Energi Nusantara (BREN) was established to operate Power Plants in Gresik. Moving forward, the Company will continue to maintain diversified composition, committed to providing sustainable value for all stakeholders through the facilitation of trade and commerce via supply chain logistics and driving competitive industrial development in Indonesia,.

The business portfolio of AKR has been transformed in line with the evolving needs of industry and energy for society



bp AKR Petrol Station

Offer high quality fuel and non fuel product service



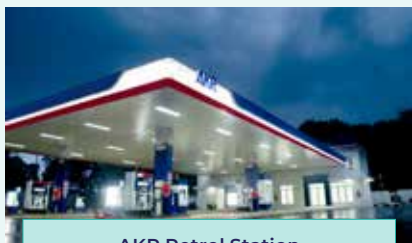
Jakarta Tank terminal AKR-Vopak

Largest Private Tank Terminal in Tanjung Priok, Jakarta



AKRA Logistic Supply Chain Infrastructure

819.400 KL
Total capacity Tank Terminal



AKR Petrol Station

Selling subsidized fuel including for fisherman



Air bp AKR Aviation

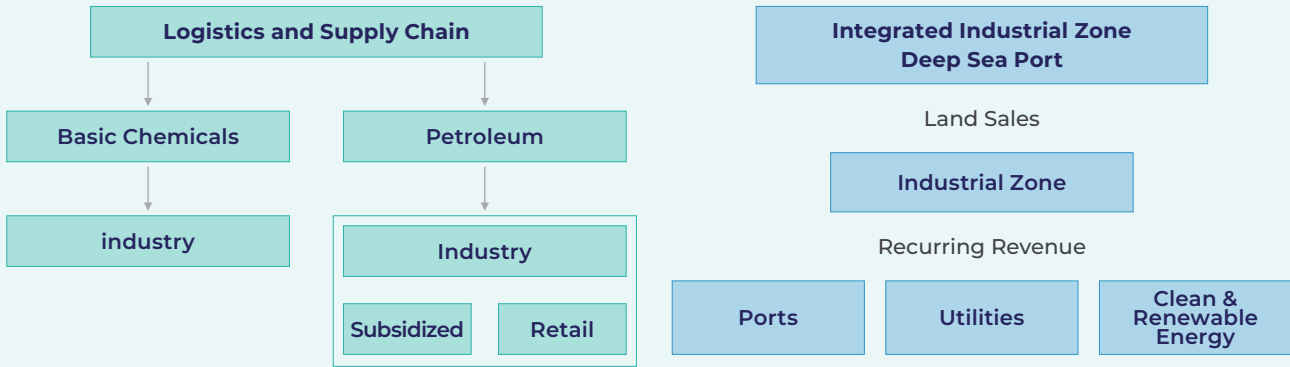
IMIP Airport & Cibubur Heliport

50.000 Sq.M
Warehouse Capacity

229 Units
Tanker Trucks

14 Units
Tanker Ships, SPOBs, & Barges

Business Model
Efficient Logistics Solutions to Support Industries in Indonesia



Economic Impact on AKR's Supply Chain
Contributes to Driving Various Industrial Sectors in Indonesia



Chemical Client Sectors / Petroleum Client Sectors

- Mineral Mining
- Marine Bunker
- Plantations
- Manufacture
- Retail
- Rayon & Textile
- Smelter
- Chemical
- Food Industry
- Personal & Homecare Products



Climate Transition and Adaptation Strategies in Our Business

[SEOJK F.3][GRI 201-2]

Climate change is a global challenge, potentially affecting business activities if not properly mitigated. This includes disruptions 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.

Through this pillar, the Company focuses on exploring new business opportunities while improving environmental sustainability across AKR's business portfolio. These efforts are based on principles of sustainability, responsible operations, and environmental conservation, ensuring that AKR is not only prepared to face current climate challenges but also contributes to a more sustainable future.

In general, AKR's climate change approach can be described as follows:



Sustainable Development and Strengthening of Business Portfolio

This initiative encompasses sustainable improvement across all business sectors, exploring new opportunities, and diversifying AKR's business portfolio to support the global transition towards a low-carbon economy with climate change focus, which includes 5 strategic initiatives:

1. Strengthening competitive advantages and business model discipline in the logistics supply chain.
2. Increasing logistics capacity to Eastern Indonesia.
3. Development and marketing for the Green Industrial Estate SEZ JIPE Gresik.
4. Enhancing a network of high-quality, environmentally friendly fuel filling stations.
5. Partnering with the Indonesian government in transitioning to clean energy, including new investments in the renewable energy sector, namely solar panels, and Liquefied Natural Gas (LNG).



Exploration of Alternative Energy Sources to Drive Efficiency

AKR supports the government's energy transition program through the biodiesel program and carefully analyzes the adoption of alternative energy sources such as gas and solar panels. The Company strengthens the distribution of biofuel as an alternative energy source nationwide and analyzes the development of the EV ecosystem and the future clean technology industry.

AKR views environmentally friendly technology as an alternative to reducing emissions and costs. Investments in alternative energy development are made considering proper cost-benefit analyses.



Utilizing Technology for Operational Optimization and Environmental Footprint Mitigation

Through cutting-edge technology, including Artificial Intelligence (AI), AKR continues to strive for operational and logistic efficiency improvements that are not only aimed at optimizing fuel usage but also ensuring workplace safety and emission intensity management. Operational optimization initiatives with IT monitoring ensure more timely deliveries and maintain optimal emission intensity and energy usage, supporting efforts to achieve environmentally friendly operations.



Infrastructure Resilience and Operational Robustness against Climate Change Risks

AKR's logistics infrastructure incorporates aspects of safety, environmental protection, and anticipation of climate change risks resulting from extreme weather events, including floods and natural disasters. Climate risk assessments are conducted with infrastructure planning to detect and anticipate weather fluctuations that could affect delivery schedules, routes, and safety.

AKR has adopted a resilient infrastructure approach in the design of JIPE, capable of addressing risks such as flash floods and sea-level rise, as well as strengthening and adjusting dock heights as needed. This proactive step not only reaffirms the commitment to sustainability and operational resilience amidst climate challenges but also reinforces social responsibility by ensuring smooth and safe operations. Through this strategy, AKR aims to minimize the impacts of climate change and ensure business sustainability that is adaptive and responsive to future climate projections.



Water Management

Water is vital in maintaining AKR's business and operations, considering that climate change often increases the risk of drought and water scarcity. Therefore, AKR implements comprehensive water resource management to ensure stable water availability. Practices such as rainwater harvesting and water recycling are part of this initiative, emphasizing the reduction of freshwater usage and increasing efficiency.

One form of AKR's commitment can be seen in the zero-water runoff design at JIPE, where all rainwater and surface water are utilized and reused. This not only secures water for operational needs but also demonstrates responsibility towards sustainable water management, reducing the impact of operations on the local hydrological cycle, and reducing the likelihood of water conflict in operationally linked communities.





REALIZING ESG PRINCIPLES IN THE DEVELOPMENT OF THE EAST JAVA INDUSTRIAL ZONE SEZ JIPE

[OJK F.26]

With its commitment to sustainability, AKR embodies the principles of ESG in the development of JIPE, aiming to be a pioneer in their implementation. This initiative is reflected in JIPE's efforts to integrate environmentally friendly principles into all aspects of operations and infrastructure development.

JIPE is not only an efficient and modern industrial zone but also a space that supports sustainable, natural, and social ecosystems, representing a strategic step towards a green economy, and marking a new era in an industry that prioritizes harmony between economic growth and environmental sustainability.

MULTIPLIER EFFECT

- Regional and national economic growth
- Increased direct and indirect employment
- The presence of anchor tenants impacts the growth of downstream ecosystems
- The presence of integrated industrial zones (industrial zone and port in one location) leads to significant reduction in logistic costs
- Enhanced competitiveness of industries on the global stage

ENVIRONMENTAL



High-Tech Waste Treatment System Technology

[GRI 306-2]

The wastewater treatment system at JIPE has implemented advanced technology to optimize waste processing without causing negative impacts on the surrounding environment. One of the flagship facilities at the East Java Industrial Zone JIPE is the Wastewater Treatment Plant (WTP). The WTP functions to treat production waste in the JIPE area. The Wastewater Treatment Plant has a capacity of 2,500 m3/day, utilizing Membrane Bio Reactor technology to ensure that liquid waste meets government quality standards with minimal land and time usage. The waste is also recycled through Ultra Filtration and Reverse Osmosis units to produce clean water for tenants and minimize natural extraction from natural water resources.



Zero Water Runoff with Water Treatment Plant

[GRI 306-1]

Clean water at JIPE is sourced from nearby water sources and managed with a Water Treatment Plant using a “Sea Water Reverse Osmosis” desalination system, with a capacity of 2400 m3/day, to accommodate industries requiring clean water supply for their production processes. Additionally, the JIPE SEZ is equipped with rainwater harvesting facilities.



Gas-Powered Electricity Generation as the Primary Energy Source

[GRI 305-5]

JIPE is licensed to generate and distribute 515MW of electricity to tenants in the industrial zone. JIPE utilizes Gas-Powered Electricity Generation as the primary energy source and gradually develops the use of solar panels. This low-emission gas-powered electricity generation aims to provide a sustainable electricity supply to support production and operational activities within JIPE.



Ecological Aspects in the JIPE Industrial Zone

The JIPE SEZ, which focuses on sustainable development and environmental protection, has helped create an industrial zone that promotes ecological benefits and reduces the impact of industrial activities on the environment. Located in Gresik near the Madura Strait, the JIPE SEZ has a unique ecosystem that supports various plant and animal species. This industrial zone has taken steps to protect and preserve biodiversity by implementing green infrastructure, such as green roofs and walls, and creating green spaces within the industrial area. The biodiversity around the zone also serves as an indicator of clean air in the surrounding area.

SOCIAL

GEM City: An Environmentally Friendly Integrated Self-Sustaining City Promoting Work-Life Balance

The JIPE Industrial Zone is the largest industrial zone in East Java, as well as the first integrated industrial zone in Indonesia, equipped with a port and docks for large capacity vessel. The efforts of the JIPE Industrial Zone in fulfilling its commitment to becoming an environmentally friendly industrial zone can be seen in its plan to provide integrated housing called GEM City. GEM City is a concept of a modern self-sustaining city that is environmentally friendly with the aim of creating a balance between quality work and life.



32,000
people

Local Workforce Recruited from the Surrounding Community of JIPE

GOVERNANCE

Rp71.5
trillion

is the accumulated investment achievement in JIPE until the end of 2023 from 24 investors and businesses.



JIPE Achieves 1st Rank out of 10 Industrial SEZs that has demonstrated multiplier effect

JIPE Continues to Consolidate Investments for Infrastructure Development to Support Low Carbon Economy and Climate Resilience

[SEOJK F.3]

As the top-ranked Special Economic Zone in Indonesia, JIPE will further strengthen its efforts to support investment towards a low-carbon economy through a range of upcoming opportunities, including:

Solar Panel



Installation of rooftop solar panels or floating solar panels to increase the renewable energy mix for JIPE.

Rainwater Reservoir



Expanding adequate reservoir facilities (lakes/ponds) to collect rainwater to meet the needs of JIPE tenants while also serving as a flood control infrastructure.

LNG Terminal Project



In a sustainable effort to support national energy resilience and JIPE's commitment to bringing coal-free energy sources (zero coal), AKR will develop a Liquefied Natural Gas (LNG) project. Collaboration with BP Gas & Power Investments Limited underscores the commitment to ensuring gas supply as a more environmentally friendly transition fuel compared to coal, which is reliable for tenants in JIPE and contributes to the East Java gas network. This project is targeted to be fully operational by 2027.

A STRONG FINANCIAL FOUNDATION

Financial Performance Summary

In 2023, AKR remained resilient, having achieved significant growth in the past five years. AKR met Net Profit growth expectations of 16%, reaching Rp 2.780 billion compared to Rp 2.403 billion in 2022. The company has achieved a 31% CAGR over the past five years, with growth driven by core business sectors, namely trading, distribution, and logistics, as well as increased contributions from the industrial area segment.

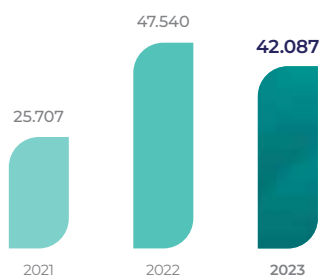
AKR recorded revenue of Rp 42.087 billion in 2023, a decrease of 11% compared to the previous year's Rp 47.540 billion. Revenue from trading and distribution amounted to Rp 38.213 billion, lower than Rp 44.698 billion, attributed to lower selling prices throughout the year due to normalized prices of fuel and international basic chemicals. With intensive market monitoring and disciplined business model implementation, the Company managed to increase sales volumes and maintain segment margins at 9%. The growth in trading and distribution volume also drove logistics growth to Rp 994 billion in 2023.

As a logistics supply chain provider for fuel and basic chemicals, AKR implements a formula-based business model that passes prices on to customers and emphasizes a net open position. With AKR's comprehensive and solid business model and excellent risk management, the Company consistently maintains performance and achieves growth.

In 2023, the Company paid dividends three times. The first was paid based on the 2022 performance, decided through the 2023 AGM, where the total cash dividend amounted to Rp 1.48 trillion or equivalent to Rp 75/share or 61.6% of the 2022 net profit, and was paid on May 24, 2023. In addition, the Company distributed interim dividends twice based on the 2023 net profit performance, namely (1) amounting to Rp 987 billion (Rp 50/share) paid on August 7, 2023, and (2) amounting to Rp 493 billion (Rp 25/share) paid on November 15, 2023. Therefore, the company distributed interim dividends of Rp 1.48 trillion for the 2023 financial year, the remainder being paid after obtaining approval from the 2024 AGM.

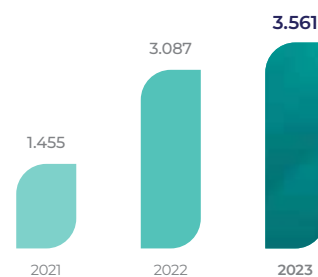
Sales and Revenue

[SEOJK F.2]
(Rp Billions)



Operating Profit

[SEOJK F.2]
(Rp Billions)



Direct Economic Impact Generated and Distributed

[GRI 201-1]

Yearly Economic Value	in thousands of Rupiah		
	2023	2022	2021
Direct Economic Value Generated			
Sales & Revenue	42,086,952,436	47,539,986,604	25,707,068,900
Profit on sale/disposal of fixed assets – net	14,657,761	7,058,827	7,523,368
Gain (loss) on foreign exchange – net	6,248,958	(45,972,224)	4,561,803

Yearly Economic Value	2023	2022	2021
Other operating income	48,961,005	19,582,323	14,983,792
Financial income	196,567,492	49,074,023	37,128,972
Share of profit of associates	34,534,891	16,632,809	7,144,436
Net profit from discontinued operations			
Other comprehensive income (loss) for the current year after tax	(30,143,953)	96,944,039	22,726,312
Total value of economic value generated	42,357,778,590	47,683,306,401	25,801,137,583
Distributed Economic Value			
Operating Expenses:			
Cost of Goods Sold and Revenue	(37,613,487,899)	(43,287,573,122)	(23,413,909,898)
Operating Expenses	(974,870,563)	(1,129,093,882)	(837,853,080)
Other Operating Expenses	(7,927,557)	(17,206,993)	(27,486,282)
Capital Providers Payments:			
Financial Expenses	(68,489,236)	(57,212,531)	(57,068,728)
Dividend Payments	(2,467,146,200)	(828,961,123)	(532,903,579)
Payments to the Government			
Final Tax Related to Financial Income	(35,675,352)	(9,359,048)	(5,350,243)
Final Tax	(19,813,545)	(62,100,226)	(41,680,021)
Net Income Tax	(589,188,690)	(544,757,403)	(260,061,263)
Total Distributed Economic Value	(41,776,599,042)	(45,936,264,328)	(25,176,313,094)
Retained Economic Value	581,179,548	1,747,042,073	624,824,489

In 2023, AKR contributed income tax, final tax, and final tax related to financial income totalling more than

Rp644.68 billion representing a **4.6% increase** compared to the previous period.

In 2023, AKR distributed dividends to shareholders totalling more than

Rp2,467.15 billion marking a **197.6% increase** compared to the total dividends distributed in the previous year.

Post-Employment Benefits for Employees

The provision of post-employment benefits demonstrates AKR's commitment to sustainability contributing to sustainable social and economic development, ensuring employees have a prosperous future.

Post-employment benefits are provided in accordance with Labor Law No. 13/2003. These benefits, such as pensions, severance pay, and service awards for tenure with the company, are granted to employees after they have ceased active employment. The calculation of these post-employment benefits follows applicable labor laws.

AKR adheres to PSAK No. 24, "Post-Employment Benefits," and calculates benefits using the Projected Unit Credit method. Any actuarial gains or losses are recognized as Other Comprehensive Income and presented in equity, while service costs are directly charged to the profit and loss statement. In 2023, the Company recorded post-employment benefits amounting to Rp177.23 billion, marking a 22.5% increase from the previous year's Rp144.72 billion.

[GRI 201-3]

Reach, Service Quality, Safety, and Customer Responsibility

[SEOJK F.27]

AKR's core competence in logistics services and procurement solutions (supply chain) for energy and chemical products in Indonesia lies in its integrated, widespread distribution network supported by cutting-edge technology to ensure operational reliability for customer satisfaction. AKR is supported by extensive infrastructure and logistics networks, as well as a reliable IT monitoring system. The Company has storage tanks and distribution terminals in dozens of ports across Indonesia, in addition to a complete logistics fleet including ships and trucks for delivering fuel and chemical products, serving thousands of companies and industries nationwide. In 2023, AKR increased its number of ships and trucks to meet the growing demand from customers, especially in the eastern part of Indonesia. AKR distributes non-

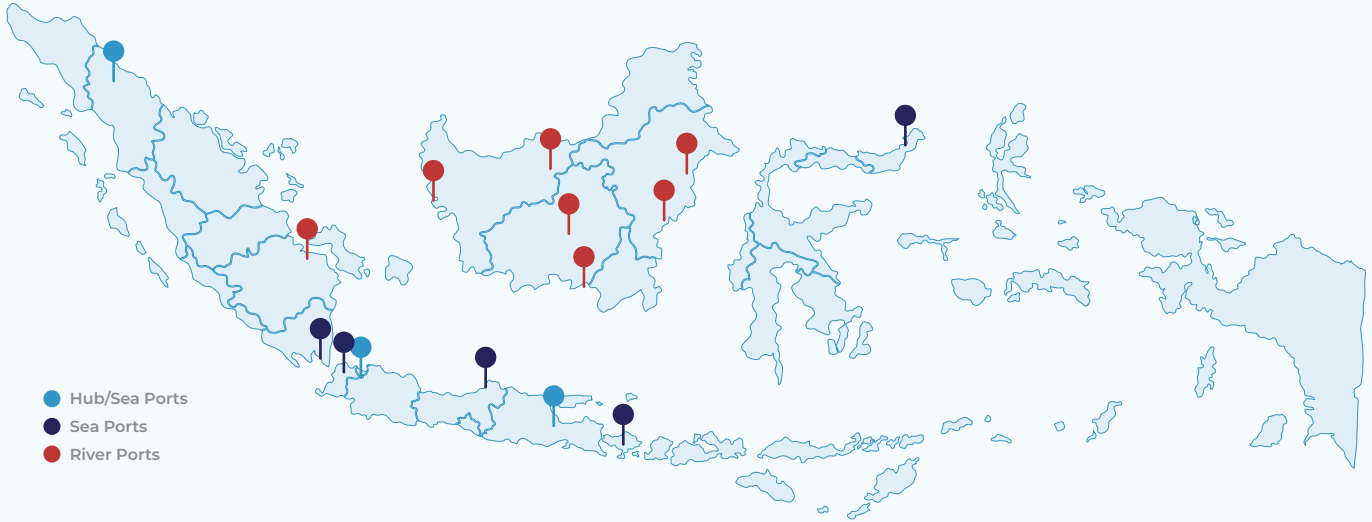
subsidized fuel to industrial sector customers including commercial, smelters, power plants, manufacturing, plantations, fisheries, bunkers, and others, as well as retail sectors through retail outlets. For the subsidized retail fuel segment, the Company is a partner in distributing subsidized solar for motor vehicles and fishermen. AKR sells high-quality diesel and gasoline for motor vehicles and fishermen in Java, Sumatra, Kalimantan, and Sulawesi. The company also develops non-subsidized retail fuel and aviation fuel businesses through partnerships with BP Global. For retail fuel, the company has a joint venture with BP, while for aviation fuel, it has formed the Air BP-AKR joint venture.

[SEOJK F.26]

Strong Network, Excellent Services

In the logistics and distribution field, AKR is supported by a robust fleet and distribution hubs spread across the archipelago, including the ability to effectively and efficiently reach the eastern parts of Indonesia and remote 3T areas

Our End-to-End Supply Chain is a Competitive Advantage



17
Sea and River Ports

4
Main Hub Terminal in Jakarta (with Royal Vopak), Stagen, South Kalimantan, Surabaya & Medan

819,400
kiloliters of Tank Terminal Storage

14
Unit Ships/SPOB

50,000
M² Warehouse

229
Unit Chemical & Petroleum Tankers

AKR strives to continually expand its network coverage to reach broader areas in Indonesia, including inland regions accessible via river port infrastructures with significant market opportunities. This increase in connectivity is not only a business strategy but also a contribution from AKR to local economic growth, where it is believed that by strengthening this network, AKR will not only enhance its service capacity but also participate in driving regional economic dynamics, opening new opportunities, and fostering shared prosperity.

[SEOJK F.29][GRI 203-1]

AKR Strengthens Its Maritime Transportation Fleet with AKRA 103

[SEOJK F.3]



In 2023, AKR strengthened its maritime transportation fleet with the chemical/oil tanker AKRA 103. This tanker has a capacity of 18,000 DWT, enhancing delivery efficiency and reducing energy intensity and emissions per unit for each shipping process. Furthermore, AKRA 103 is a European-made vessel that has integrated Energy Efficiency Design Index (EEDI) standards into its design and construction process. In 2024, AKR plans to add another large-capacity chemical/oil tanker unit similar to AKRA 103, named AKR 105.

Total investment value for the purchase of AKRA 103 and AKRA 105 is

Rp210 billion

Supply Chain

[GRI 2-6]

AKR appreciates the importance of diverse characteristics in conducting logistics and procurement businesses in Indonesia, actively engaging various types of suppliers, both large and small, as well as direct and indirect. In the Company's value chain, various partners contribute, including large companies, agents, cooperatives, and small entrepreneurs, who help supply finished goods or raw materials for further processing by AKR and its subsidiaries.

By building a robust supply chain ecosystem, AKR seeks to benefit all parties involved, including suppliers who gain sustainable income, and other stakeholders such as port authorities who generate revenue from business cooperation. This policy is expected to drive local economic growth by providing business and employment opportunities in the Company's operational areas. To ensure transparency in the procurement process, AKR requires all suppliers to sign an Integrity Pact to uphold honesty and prevent unethical practices. AKR is aware that its operational activities and those of its suppliers have the potential to cause negative impacts, such as oil spills and pipeline leaks that can pollute the environment. Therefore, suppliers' awareness of environmental impacts also needs to be enhanced.

[SEOJK F.28]

To mitigate these potential negative impacts, 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. In early 2024, AKR released a sustainable procurement policy to reaffirm its commitment to achieving sustainability with all stakeholders.

[GRI 308-1]

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.

[GRI 308-1]

AKR is committed to supporting its suppliers, both large and SMEs. One example is the cooperation with palm oil farmers in the development of B35 biodiesel in Indonesia. This collaboration is driven by AKR's commitment to support the government's program in using environmentally friendly vegetable fuel. In this collaboration, AKR works with palm oil farmers to ensure the availability of high-quality and sustainable raw materials. AKR also provides training and technical guidance to farmers to improve the quality and productivity of their crops. Through this collaboration, AKR hopes to reduce dependence on fossil fuels while helping farmers improve their welfare.

[SEOJK F.5]

CUSTOMER SATISFACTION

[SEOJK F.30]

AKR serves various customers across multiple industrial sectors, providing unsubsidized fuel for commercial entities, smelters, power plants, manufacturing facilities, plantations, fisheries, bunkering operations, and more. Additionally, the Company is involved in retail fuel distribution through its retail outlet network. Furthermore, partnerships extend to the subsidized fuel segment, where collaboration in distributing subsidized diesel for motor vehicles and fishermen continues.

The Company understands that customer satisfaction is key to achieving long-term success in business. Based on this, AKR emphasizes a customer-centric approach in its operational activities, collaborating and engaging in two-way communication with customers to understand their needs and feedback regarding services. The results of this communication and feedback serve as input for AKR to make continuous improvements to better serve

customers. Additionally, in order to provide solutions that meet customer needs and achieve service excellence, AKR leverages technology and after-sales support.

In 2023, no significant product recalls for fuels and basic chemicals that adversely affected customer satisfaction were recorded, partly due to the implementation of ISO 9001:2015 Quality Management, especially for industrial fuel products, which is comprehensively applied and includes supplier selection, storage in tank terminals, risk management, commercial aspects, IT monitoring systems, HR management, distribution planning, and sales and after-sales service. The quality management implementation at AKR is also regularly audited. Currently, the ISO 9001:2015 certificate has successfully undergone recertification with validity from July 2023 to July 2026.

[SEOJK F.29] [GRI 416-2]

Customer Relationship Management (CRM) System at AKR

[SEOJK F.17]

To operate effectively and efficiently, the company utilizes a Customer Relationship Management (CRM) system to facilitate the commercial team in tracking customer demands, purchase history, and planning for future requirements. Subsequently, this system is integrated with the Distribution Planning System. Ultimately, the integration of these digital systems enables the Company to deliver petroleum products and basic chemicals promptly, with the right quality, and efficient and effective delivery.

CRM Services Provided

- Engaging New Customer
- Reminder and Appointment
- Integration with Absence Application
- AKR News
- Planning and Forecasting
- Customer Discount Simulation
- Customer Quotation

Digitalization, automation & Simplification

From:

- Paper Submission
- Approval by E-mail
- System Silo
- Not Integrated
- Manual Mapping
- Web-based

To:

- Paperless
- Approval by System
- All in One System
- Integrated System
- Geo-tagging Technology
- Mobile Apps & Web-based

In more detail, the functions of this IT-based CRM are as follows:

- **New Customer Acquisition**
Sales personnel can input potential customers into the system.
- **Planning and Forecasting**
Sales personnel can plan sales per customer for the next month.
- **Appointment Reminders**
There are reminders for all appointments for sales personnel.
- **Customer Discount Simulation**
Sales personnel can calculate margin contributions before providing price quotations in PDF files to customers.
- **Integration with Absence Applications (out of the office)**
Sales personnel can check-in and check-out at customer locations without having to come to the office, as AKR has implemented Geo Tagging technology in this system.
- **AKR News**
Sales personnel can get updates from the AKR team related to products, prices, and more.
- **Flexible Ordering System**
Sales personnel can create Sales Orders using their phones or laptops anytime and anywhere.
- **Providing Useful Reporting and Dashboards**

Through the use of advanced information technology systems, AKR can also monitor product status and fleet positions. Thus, the quantity and quality of products and services provided can be maintained and tailored to customer demand.

AKR regularly monitors and analyzes customer feedback to identify areas that need improvement. This feedback serves as a reference for AKR in making improvements and solutions to enhance customer satisfaction.

As a form of commitment, the Company provides comprehensive after-sales support. Branch representatives, sales teams, and Customer Relationship Officers (CROs) are ready to handle complaints and address any issues that may arise. The M-Files system is used to ensure that complaints are resolved quickly and accurately.

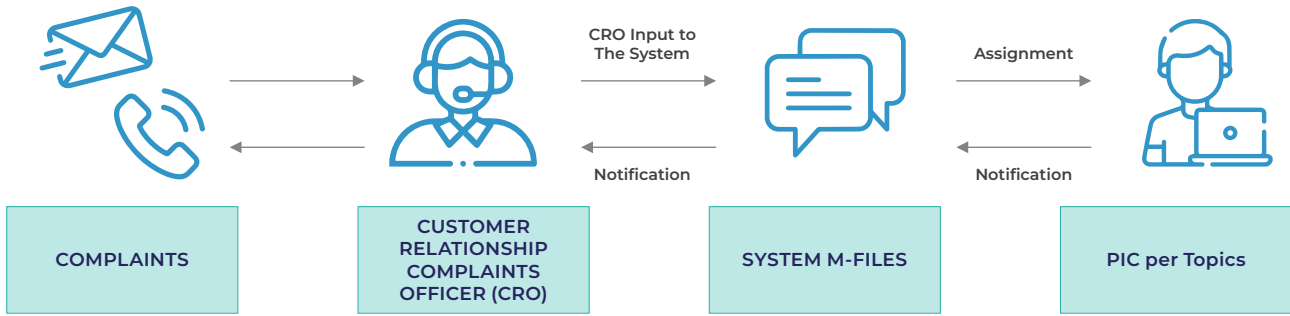
Using sophisticated systems, excellent service, and a commitment to continuous improvement, AKR believes it can provide maximum satisfaction to customers.

Customer Complaint Handling

[GRI 416-1]

AKR understands that every input from customers is crucial to improving service and product quality. Therefore, AKR provides an easy and effective mechanism for customers to voice their complaints, criticisms, and suggestions.

In practice, the Company has developed a comprehensive online system called M-Files to handle and resolve customer complaints, designed with customer needs in mind, making it easy to use and informative. The workflow of AKR's customer complaint handling system is as follows:



Whenever a customer submits a complaint via email, phone, or in-person (face-to-face), the information is recorded by the Customer Relationship Officer (CRO) into the M-Files technology system according to the branch where the complaint is received. Subsequently, the reported complaint is followed up by the assigned Person-in-Charge (PIC), who will then take appropriate steps to address and update the assignment accordingly. Once the complaint is resolved, the CRO will receive a notification to ensure that the reported issue has been properly handled.

OPERATIONAL EXCELLENCE AND ADVANTAGES OF TECHNOLOGY UTILIZATION

Superior Operational Performance

As a company operating in the energy and chemical industries, as well as integrated industrial development with an environmental focus, AKR is committed to achieving operational excellence, through various strategies aimed at improving operational efficiency, ensuring safety, and supporting sustainability.

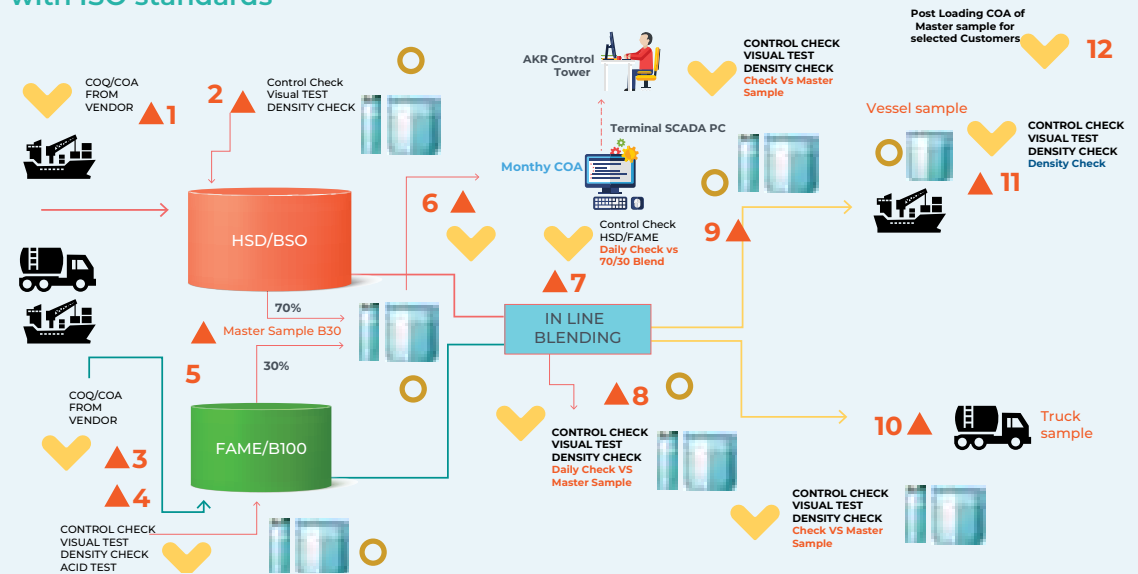
Efforts to achieve operational excellence have significantly contributed to optimizing the operations in various business areas, reducing costs, and enhancing overall

efficiency. By adopting an approach that integrates automation and digitalization, streamlined management, and a focus on safety and customer satisfaction, AKR has positioned itself as one of the leading companies in operational excellence.

AKR's operational excellence in the logistics supply chain in 2023 includes [SEOJK F.26]



Standard Operating Procedure (SOP) for Loading and Unloading in accordance with ISO standards



The process flow prioritizing operational excellence in AKR's storage tanks includes:

- B35 successfully renewed to accommodate B35 product.
- Standard Operating Procedures (SOP) Work Instruction observation and Internal Audit ISO 9001:2015 are conducted periodically to ensure operational SOPs from inbound, storage, blending, to outbound.
- Achievement: zero fatalities.



Tank & Pump Maintenance

- Tank inspection according to API 653 has been completed by 90% until 2023.
- Pump performance greatly influences the efficiency of the loading and unloading process. Regular monitoring of pump conditions is carried out to eliminate unscheduled damages, ensuring optimal flow rates. Consequently, timely deliveries and proportional mixing are achieved. In 2023, 97% of pumps have been monitored to be functioning properly.



Monitoring Routes and Safety of the Land Transportation Fleet Along with Its Drivers

- Reduction of land transportation incidents by monitoring drivers through a Control Tower (driver behavior, unauthorized routes, distance, and round-trip time), as well as increasing fleet truck utilization.
- Driver of The Month Program (DoTM)
 - Objectives :
 - Improve driver behavior to reduce accidents.
 - Enhance driver productivity.
 - Boost driver morale and retention.
 - Reward :
 - Recognition given at Branch, Regional, and National levels.
 - Monthly and Annual Driver Awards for selected drivers meeting the criteria.
- Driver Medical Check Up.
- Road safety & accident management:
 - Road Hazard mapping: Identifying hazards and implementing controls on each customer route.
 - Incident investigation and monitoring closing actions.
 - Changing behavior and promoting safe driving techniques through Defensive Driving Training.
- Fatigue management
 - Roster and working hour schedule.
 - Driver working hours: 4 driving hours must be interspersed with a 30-minute break.

Staying Safe on the Road with the AKR Dashcam

In 2023, AKR equipped dashcams featuring ADAS (Advanced Driver Assistance Systems) and DMS (Driver Monitoring Systems). The ADAS system provides early warnings to drivers regarding potential road hazards, such as vehicles getting too close or lane departures. Meanwhile, the DMS monitors driver behavior, such as drowsiness, phone usage, and more. The system aims to ensure vigilance and prevent accidents. By prioritizing driver safety, AKR promotes the creation of a safe and sustainable transportation ecosystem. As a result, in 2023, the company continued to reduce incidents, and the fleet was noted to be more productive.

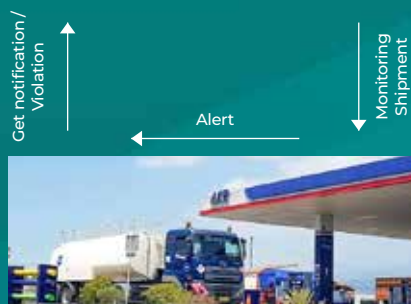
ADAS

- Forward Collision Warning
- Headway Monitoring
- Pedestrian Collision Warning
- Lane Departure Warning

DMS

1. Yawning
2. Eyes Closed
3. Distraction
4. Smoking
5. Phone Call
6. Camera Cover
7. IR Sunglasses
8. Driver Absent
9. Driver Face Recognition
10. Driver Change
11. Driver Back

Control Tower Monitoring



Get notification/
Violation

Alert

Monitoring
Shipment



Efficient and Effective Marine Route Planning and Environmentally Friendly Vessel Operations

Operational excellence for AKR-AST in the maritime transportation sector is crucial to maintain reliability, efficiency, and effectiveness in vessel management and cargo delivery. Implementation approaches to operational excellence adopted by AKR-AST include:

- Clear and measurable standard operating procedures for every aspect of shipping operations, including route planning, vessel management, cargo management, and inventory management.
- Utilization of technology and information systems to optimize shipping operations, such as transportation management systems, vessel tracking, security management, and risk management.
- Priority on safety and security in all aspects of maritime transportation operations, including crew training, routine vessel inspections, and compliance with safety standards regulated by government and industry bodies.
- Improving efficiency and productivity by managing operational costs, minimizing disruptions to shipping operations, and managing fuel and energy, inventory, workforce, as well as vessel repairs and maintenance.
- Focus on environmentally friendly operations by reducing emissions and waste, improving energy efficiency, and enhancing waste management through technologies such as Oil Water Separators, incinerators, and sewage tanks, as well as collaboration with waste management vendors licensed by relevant authorities.
- Ensuring that AKR-AST's operational standards comply with national regulations and standards as well as those of the International Maritime Organization (IMO) that have been ratified.

To Preserve the Marine Ecosystem, AKR-AST Adheres to the Ballast Water Management Standards Set by the International Maritime Organization (IMO)

As one of the pioneers in the maritime transportation industry, AKR-AST is committed not only to operational excellence but also to sustainable practices that preserve the marine ecosystem. Awareness of environmental responsibility has driven AKR-AST to implement the Ballast Water Management (BWM) standards issued by the International Maritime Organization (IMO).

Ballast water management is crucial in preventing the spread of invasive species between bodies of water, a long-standing concern in global marine conservation. AKR-AST understands that poorly managed ballast water has the potential to disrupt the balance of ecosystems in new areas. By adhering to IMO standards, AKR-AST demonstrates genuine concern for aquatic ecosystems.

These standards ensure that every vessel operating under the AKR-AST flag implements ballast water

management procedures that are not only efficient but also environmentally friendly. Through the use of advanced technology such as ballast water treatment, AKR-AST eliminates biological risks before water is discharged into the sea. This is part of the Company's sustainable efforts to protect marine habitats and reduce the environmental impact of its operations.

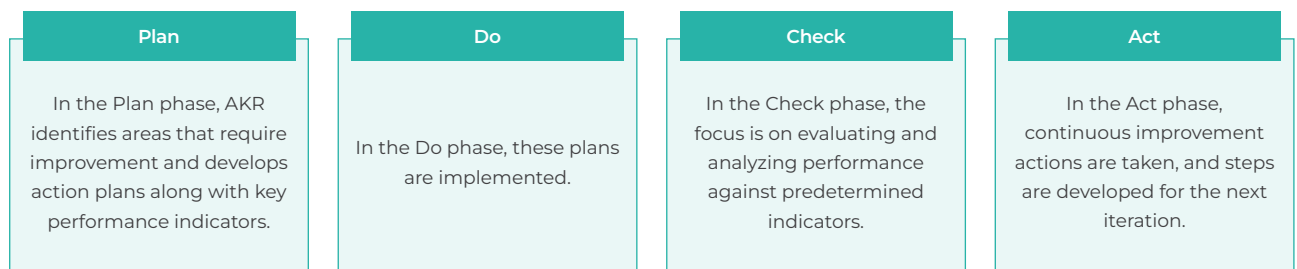
This commitment is also reflected in crew training and strict supervision of procedural compliance, reaffirming AKR-AST's position as socially and environmentally responsible. This proactive step not only supports the preservation of marine biodiversity but also strengthens AKR-AST's reputation as a company that prioritizes environmental sustainability alongside operational excellence.



Continuous Improvement

AKR, along with its subsidiaries, is committed to implementing Continuous Improvement as the core of its business performance and sustainability strategy. This involves a commitment to continuous renewal in every aspect of the Company's business processes, systems, and culture with the primary goal of enhancing overall efficiency, effectiveness, and quality. In practice, AKR continuously evaluates and updates its management systems and business processes, benchmarking them

against industry best practices, and adopting the latest technologies and innovations. Enhancing employees' skills and knowledge through intensive training programs is also a crucial part of this strategy. The PDCA (Plan-Do-Check-Act) approach is further adopted as the framework for all Continuous Improvement initiatives.



Through the implementation of this Continuous Improvement strategy, AKR and its subsidiaries strive not only to improve product and service quality, reduce costs, and enhance operational efficiency but also to strengthen market position and create added value for customers and communities.



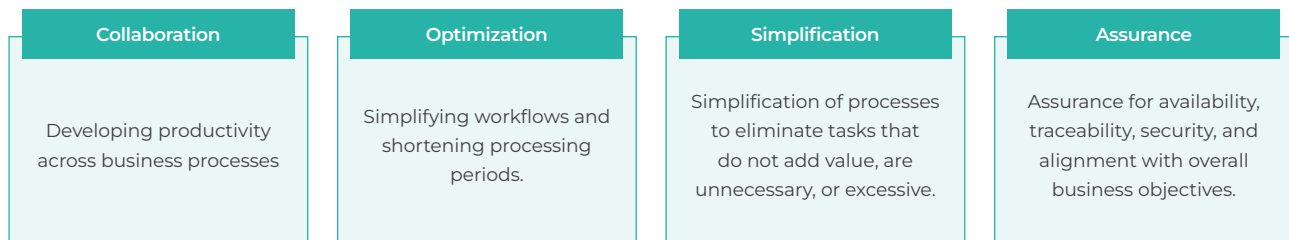
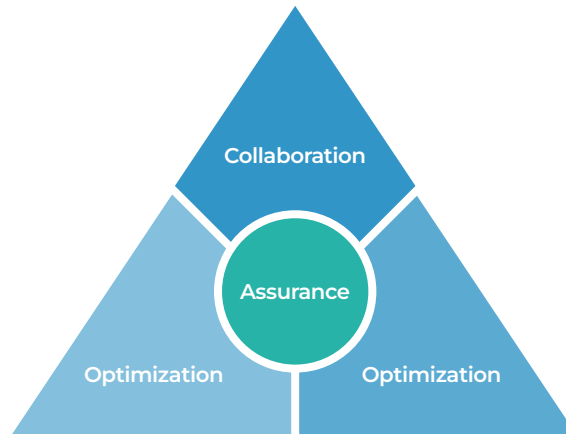
AKR has also developed a Business Continuity Plan (BCP) to ensure the ability to continue operations in the event of disruptions, regularly tested and updated to ensure its effectiveness.

Adopting IT & Cutting-Edge Technology

In ever-changing and challenging times, AKR recognizes the importance of adapting and evolving to remain relevant. In the face of increasing complexity, the application of technology becomes the main foundation in efforts to build operational excellence, while also being fundamental to the commitment to sustainability. With

strategic investments in digitization, AKR has successfully achieved significant improvements in operational efficiency.

The development of AKR's IT system is based on 4 generated values:



In 2022, AKR developed an integrated information system, pursuing a strategic program focusing on Collaboration, Automation, Simplification, and Assurance & Governance. The implementation of IT policies during 2023 included:

1. Maximizing online communication media for more integrated collaboration and interaction within a single platform.
2. Comprehensive utilization of Customer Relationship Management (CRM), enabling tracking and monitoring of sales activities up to the point of order.
3. Development of a distribution planning system focusing on managing the supply chain from order reception to timely delivery to customers. This enables daily and monthly monitoring of truck or transportation fleet management, ensuring more effective and efficient fleet utilization.

4. Establishing IT security policies and procedures to prevent and address cyber-attacks that could threaten operations. Policies and Standard Operating Procedures (SOPs) are developed with guidance from the National Cyber and Crypto Agency (BSSN).

AKR continuously develops its IT system and allocates sufficient budget to support operations. IT development initiatives at AKR are complemented by competency enhancement through training and certification to ensure optimal implementation.

Privacy Data and Cybersecurity

[CRI 418-1]

AKR recognizes that the rapid pace of technological advancement brings not only convenience but also challenges, particularly concerning data privacy and cybersecurity. In line with this, in 2021, the Company strengthened the implementation of data protection and cybersecurity across all operational business lines. This included the adoption of comprehensive cybersecurity policies, addressing risk management related to confidentiality, integrity, and availability of information.

Policies, governance, and standard operating procedures related to data privacy and cybersecurity at AKR are outlined in:

- ITE-SCO-SCO-POL-001 - IT Security Policy
- ITE-SCO-SCO-PRO-001 - Cyber Security Incident Response

In implementing these policies and procedures, AKR's IT and cybersecurity governance consists of IT Data Center Operations, IT Network, IT Security and Compliance, IT Development, and IT Infrastructure and Operations.

The implementation of these policies falls under the Information Technology Department. The objectives of these policies are:

- Formulating organizational strategies through the protection of non-public material data and information using relevant references from international standards and best practices.
- Establishing governance structures that effectively and efficiently manage information security risks.
- Managing identified security risks to acceptable levels as per management agreements, documented in Key Performance Indicators (KPIs), within standard risk tolerance limits by designing, implementing, and maintaining risk improvement plans.
- Cultivating a culture of accountability and increasing awareness among all personnel.
- Assigning responsibility and accountability for information security policies and governance throughout the Company.

AKR is committed to continually enhancing information security to ensure that objectives are met and can adapt to changes in the cybersecurity threat landscape, as well as considering evolving organizational, legal, and regulatory requirements.

In its implementation, AKR's Information Technology Department routinely conducts technical training for the IT team and raises awareness among all employees about the importance of safeguarding personal data.

Cybersecurity Training for Employees

During 2023, AKR invested in cybersecurity training for new employees. A total of

132 employees

received training aimed to enhance awareness and knowledge of digital security threats and best practices to protect the Company's systems and data from cyber-attacks. By strengthening employees' capabilities in cybersecurity, AKR is safeguarding sensitive information and ensuring safe and reliable operational continuity.

MANAGING ENVIRONMENTAL FOOTPRINTS

With a diverse business portfolio spanning the trading and distribution of fuels and basic chemicals, logistics, manufacturing, and industrial estate development, AKR closely monitors and mitigates potential negative impacts on the environment in every aspect of operations.

AKR continues to strive for good, responsible environmental management, free from air and water pollution, noise, and other environmental risks that may arise from operational activities.

Active participation is also reinforced in addressing the challenges of climate change by adopting environmentally friendly operational practices and implementing programs for biodiversity conservation, energy efficiency, adoption of renewable energy for operations, efforts to reduce carbon emissions, water conservation, and waste management.

AKR maintains its 12th ranking in the BLUE PROPER

In 2023, the Company successfully maintained its BLUE PROPER ranking in 12 operational regions, as follows:

1. Terminal Bali
2. Terminal Ciwandan
3. Terminal Tanjung Emas Semarang
4. Terminal Nilam Timur
5. Terminal Nilam Utara
6. Terminal Pontianak
7. Terminal Stagen
8. Terminal Banjarmasin
9. Terminal Palaran
10. AKR Lampung
11. Terminal Bitung
12. Terminal Medan Gabion

Energy Management

Energy is vital to AKR's operations. Amidst the real issue of climate change, responsible energy management is a primary commitment and AKR continues to strive for efficient energy use through various strategic measures to enhance resilience and operational efficiency.

In 2023, AKR's total energy consumption amounted to 781,357.57 Gigajoules (GJ). This figure increased compared to the previous year due to the expansion of AKR's truck and vessel fleet and an increase in the quantity of distributed products, including to industrial and retail customers. Additionally, the Company recorded an increase in the number of tenants in the JIPE KEK.

The trend of renewable energy use at AKR also showed a positive performance, with the proportion reaching 27% of the total internal energy consumption of the Company in 2023.

Despite the overall increase in energy consumption, AKR managed to maintain the trend of energy consumption intensity, with 2023 recorded at 0.17 GJ/million Rp Revenue, which is relatively stable compared to the energy intensity of the previous year, which was 0.16 GJ/million Rp Revenue.

The methodology used to calculate energy consumption involves gathering data on fuel purchases, as well as electricity bills and metering used by AKR and its subsidiaries. The conversion factors used to calculate energy units refer to standards from the IPCC Guidelines for National Greenhouse Gas Inventories (2006), the World Resources Institute, and the World Business Council for Sustainable Development.

The Company remains consistent in its efforts for energy efficiency, including:

1. LED lighting usage: LED lighting in AKR offices, marketing offices at KEK JIPE Gresik, BP-AKR stations, office buildings, and terminals
2. Solar sensor usage: Solar sensors are installed on lights at the JTT site.
3. Inverter usage for large-capacity production motors at ARUKI, and others.
4. Solar panel usage at various points to increase the mix of renewable energy used for AKR's operations.

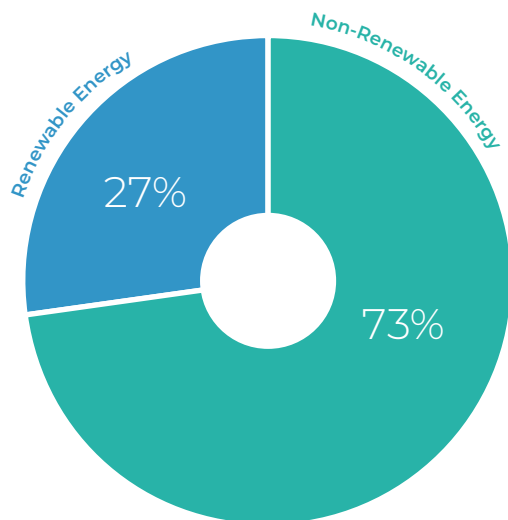
Total Energy Consumption and Intensity

[SEOJK F.6][SEOJK F.7][GRI 302-1][GRI 302-2][GRI 302-3]

ENERGY CONSUMPTION	2023	2022	2021
Non-Renewable Energy Consumption (GJ)			
BBM	311,079.04	256,493.23	311,451.05
Gas	26,454.22	22,019.47	27,079.10
Electric	48,276.15	53,408.20	51,579.01
Total Non-Renewable Energy	385,809.41	331,920.91	390,109.15
Renewable Energy Consumption (GJ)			
Biodiesel	140,184.87	99,892.51	112,304.71
Solar Panels	1,880.89	1,621.07	-
Total Renewable Energy	142,065.77	101,513.58	112,304.71
Total Energy Consumption within the Organization	527,875.18	433,434.49	502,413.86

Note: BBM consists of Industrial Diesel Oil, Marine Diesel Oil, Marine Fuel Oil, Peralite, and operational diesel.

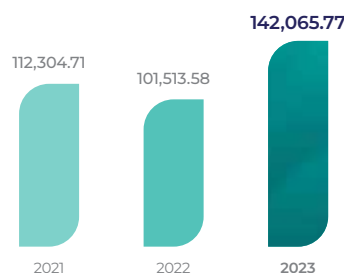
Proportion of AKR's Internal Energy Consumption in 2023 Based on Energy Source Types



Trend of renewable energy usage at AKR continuous to increase from year to year and in 2023

27%

Graph of AKR's Energy Consumption Trend 2021-2023 from Renewable Energy Sources (GJ)

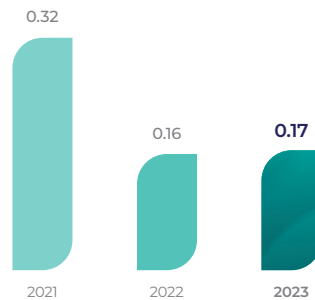


Energy Consumption Outside the Organization (GJ) (EXTERNAL)	2023	2022	2021
Electric	253,482.39	233,605.28	239,637.90
Total Energy Consumption Outside the Organization	253,482.39	233,605.28	239,637.90

Note: Electricity sold to JIPE tenants

	2023	2022	2021
Total Energy Consumption (GJ) (Internal + External)	781,357.57	667,039.77	742,051.76
Gross Profit (Rp million)	4,473,464,50	4,252,413	2,293,159
Energy Intensity (GJ/ Rp millions) [GRI 302-3]	0.17	0.16	0.32

Graph of Energy Intensity Trend AKR 2021-2023



Supporting Indonesia's Energy Transition with Solar Panel Installation

[GRI 305-5][SEOJK F.7][SEOJK F.12][SEOJK F.26]

AKR is committed to supporting the National Energy Policy (KEN) and Indonesia's steps towards a low-carbon economy, partly through the initiative of installing solar panels.

This installation is expected to reduce carbon emissions and the impacts of climate change, increase energy efficiency, reduce operational costs, and support the government's target of using renewable energy.

AKR

51.7 kWp

APR

23.1 kWp

KEK JIPE

400 kWp*

*commissioning stage and developed progressively until 2032.

Emission Control

As a company committed to conducting sustainable business, AKR recognizes the importance of reducing Greenhouse Gas (GHG) emissions, a major factor in climate change. In support of the government's commitment to achieve Net Zero Emissions by 2060, AKR is implementing policies aimed at reducing emissions from operations.

GHG emissions originate from the use of fossil fuels (BBM) and electricity. The use of fossil fuels results in direct GHG emissions (Scope 1), while electricity consumption results in indirect GHG emissions (Scope 2 and Scope 3).

Other air emissions include those from the use of fossil fuels in operational vehicles, generators, and business transportation operations, including truck and ship deliveries. The emission calculation method used, along with emission factors, refers to the IPCC Guidelines for National Greenhouse Gas Inventories (2006), Biograce, JEC database, and Ecoinvent.

AKR is committed to supporting the government's efforts to achieve

Net-Zero Emission by 2060

To achieve this, AKR will continue its efforts to establish baseline emissions in the coming years, which will then be used as the basis for developing the Company's net-zero strategy.

Total Emissions Produced

[SEOJK F.11] [GRI 305-1] [GRI 305-2] [GRI 305-3]

Subsidiaries	2023	2022	2021	Difference
EMISSIONS SCOPE 1				
AKR	616.06	728.00	824.59	-15.38%
ATI	5,857.20	4,857.81	8,241.95	20.57%
AST	16,031.85	12,582.21	13,458.56	27.42%
JTT	7.29	7.45	15.20	-2.16%
BKMS	1,655.01	1,769.86	1,822.09	-6.49%
BMS	257.76	169.21	168.89	52.33%
APR	1.42	7.84	7.53	-81.88%
DPR	3.23	2.68	2.16	20.58%
ARUKI	586.36	440.97	529.31	32.97%
TOTAL EMISSIONS SCOPE 1	25,016.20	20,566.03	25,070.28	21.64%

Subsidiaries	2023	2022	2021	Difference
EMISSIONS SCOPE 2				
AKR	6,231.87	5,614.45	6,063.94	11.00%
JTT	651.27	1,152.42	1,082.59	-43.49%
APR	865.88	2,170.23	1,450.51	-60.10%
DPR	44.91	22.53	47.47	99.29%
ARUKI	2,990.14	3,471.43	3,457.60	-13.86%
TOTAL EMISSIONS SCOPE 2	10,784.07	12,431.07	12,102.10	-13.25%
EMISSIONS SCOPE 3				
BKMS	56,329.42	51,912.28	53,252.87	8.51%
TOTAL EMISSIONS SCOPE 3	56,329.42	51,912.28	53,252.87	
TOTAL EMISSIONS	92,129.69	84,909.39	90,425.25	8.50%

Note: Emission Factors are based on the Ministry of Energy and Mineral Resources (KESDM) 2021 standard, IPCC AR 5, and FW GRK Electric Power System 2019.

JTT Implements Renewable Energy Certificate to Reduce CO₂ Emissions

[GRI 305-5]

In line with its commitment to environmental sustainability, Jakarta Tank Terminal (JTT) has taken a significant step forward by incorporating Renewable Energy Certificates (RECs) into its operations. Through the utilization of 50% Renewable Energy Certificates, JTT has effectively reduced its carbon dioxide (CO₂) emissions by 582 metric tons per year (MT/y).

RECs play a pivotal role in the transition towards cleaner and greener energy sources. By leveraging these certificates, JTT is not only mitigating its environmental footprint but also contributing to the larger goal of combating climate change. The adoption of RECs underscores JTT's dedication to responsible and eco-friendly practices within its operations.

ARUKI Implements Innovative Solution to Reduce Diesel Consumption and GHG Emissions

[GRI 302-4] [GRI 305-5]

ARUKI, a leading chemical manufacturer, has recently implemented an innovative solution to reduce its reliance on diesel fuel and curb greenhouse gas (GHG) emissions. Effective December 2023, ARUKI began utilizing steam from its offgas formalin plant to power its powder plant operations. This strategic move marks a significant milestone in ARUKI's sustainability journey, as it not only cuts down diesel consumption but also leads to a noteworthy reduction in GHG emissions.

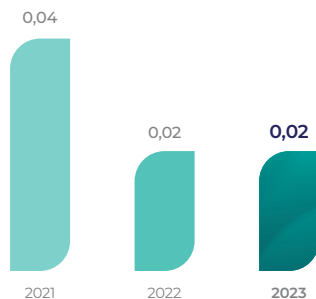
By repurposing steam as an alternative energy source, ARUKI demonstrates its commitment to environmental responsibility and resource efficiency. This initiative aligns with the company's broader sustainability objectives, emphasizing its dedication to reducing its environmental impact. ARUKI's proactive approach to address energy consumption and GHG emissions sets a precedent for sustainable practices within the chemical manufacturing sector, showcasing its leadership in environmental stewardship.

Intensity of Emissions

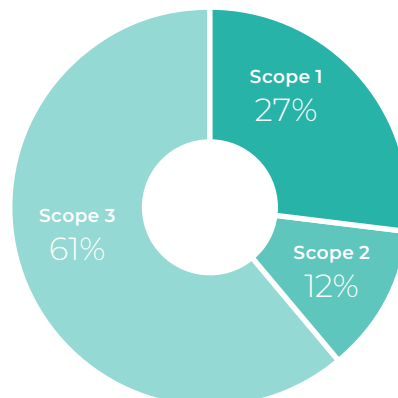
[SEOJK F.11] [GRI 305-1] [GRI 305-2] [GRI 305-3] [GRI 305-4]

	2023	2022	2021
Emissions Scope 1 (Ton CO ₂ e)	25,016.20	20,566.03	25070.28
Emissions Scope 2 (Ton CO ₂ e)	10,784.07	12,431.07	12,102.10
Emissions Scope 3 (Ton CO ₂ e)	56,329.42	51,912.28	53,252.87
TOTAL EMISSIONS (Ton CO₂e)	92,129.69	84,909.39	90,425.25
Gross Profit (Rp. million)	4,473.465	4,252.413	2,293.159
Intensity of Emissions (Tonnes of CO₂e / Gross Profit in million IDR)	0.02	0.02	0.04

AKR Emission Intensity Trend 2021-2023



Proportion of AKR's Emissions in 2023



AKR's emission intensity in 2023 was recorded at 0.02 tons of CO₂e per Rp million Gross Profit, showing no change from the previous year. This indicates that AKR has successfully achieved efficiency in its operations, resulting in the stabilization of greenhouse gas emission intensity per unit of gross profit generated. Despite increased business activities, fleet additions, an increase in the number of tenants in KEK JIPE, and a rise in gross profit, this did not lead to an increase in emission intensity [SEOJK F.11]

The stability of AKR's emission intensity in 2023 is the result of collective efforts from all subsidiaries, where focused and sustainable strategies have been able to control and reduce emissions from various sources.

Scope 01

Direct Emission

- The delivery fleet is a primary focus in emission control. Technology and Artificial Intelligence (AI) is used in route planning and scheduling to ensure fuel efficiency.
- The Company is also committed to using biodiesel in all land transportation fleets, in line with government policy effective September 1, 2018.

Scope 02

Indirect Emission

- Switched to using energy-saving LED lights.
- Installation of solar panels in several AKR offices.
- JTT participates in the Renewable Energy Certificate (REC) program from PLN.
- Calls for electricity conservation within the Company's internal operations are part of the policy applied to all employees and operational areas.

Scope 03

Indirect Emission

- The use of combined cycle technology at the JIPE Power Plant, which combines the use of natural gas and MFO, has successfully reduced carbon emissions by 11%.

As a strategic step forward, considering that 61% of AKR's emissions come from Scope 3 emissions originating from the electricity generated and sold to tenants at JIPE, AKR continues to invest in various initiatives and new energy infrastructure. These investments will include rooftop solar panels, floating solar panels, and the development of LNG projects. All investments demonstrate a commitment to supporting the government in achieving its Nationally Determined Contribution (NDC) and Net Zero Emission targets.

[SEOJK F.12]

The Combined Cycle Technology at the JIPE Power Plant Has Successfully Reduced Carbon Emissions

[SEOJK F.12]

The JIPE Power Plant is designed with a combined cycle concept, allowing the use of two types of fuel, namely Marine Fuel Oil (MFO) and natural gas. Currently, the use of natural gas is favored as it is considered a transitional energy with much lower carbon emissions compared to other fossil fuels.

Therefore, in 2023, the JIPE Power Plant committed to using natural gas, which resulted in lower carbon emissions by up to 13% compared to MFO.

As a result, the JIPE Power Plant successfully reduced CO₂ emissions by 1,632.05 tons. This achievement demonstrates the JIPE Power Plant's commitment to supporting clean and environmentally friendly energy.

AKR successfully reduced by

2,145,220 kilo CO₂
per year

due to the combined cycle technology at the JIPE Power Plant.

Carbon Monoxide (CO) and Nitrogen Oxides (NOx) Emissions

[GRI 305-7]

Transportation processes in AKR's operations, such as logistics, transportation, and distribution, generate Carbon Monoxide (CO) and Nitrogen Oxide (NOx) emissions from various sources, such as fuel combustion in AKR's transport fleet, including tank trucks and other vehicles powered by internal combustion engines.

To mitigate and control air pollution from CO and NOx, AKR has implemented several measures. These include strict

vehicle maintenance programs to ensure combustion efficiency, mandatory periodic emission testing for all land transport fleets, and ensuring vehicles not only meet efficiency standards but remain below specified emission limits.

These inspections allow AKR to proactively identify and address potential emission issues, directly supporting air pollution reduction.

Water Intake and Conservation

Water and effluent management are vital pillars of AKR's sustainability strategy, and the Company is committed to ensuring responsible water resource use and effective effluent management in its operations.

AKR meticulously records water usage data collected from PDAM meters, groundwater pump flow meters, and the volume of water transported by truck. Data separation is conducted between operational and office water usage. AKR's total water intake in 2023 was 471.18 Megaliters. Concerning water usage, no significant disruptions to water sources were recorded due to AKR's water intake and discharge activities in 2023.

Additionally, AKR continues to seek innovation in water conservation technology to enhance efficiency and reduce freshwater usage. Initiatives such as rainwater harvesting, water reuse, and the adoption of cutting-edge wastewater treatment technologies demonstrate a commitment to sustainable water resource management, evident through the zero water runoff design at JIPE.

Total water intake

[SEOJK F.8] [GRI 303-3]

Water Sources (m ³)	2023	2022	2021
Groundwater	2,126	1,329	1,059
Surface water	22,978	316,869	271,577
Produced water	-	70,382	-
Third-party supplied water	446,077	225,779	178,307
Total water withdrawal (m³)	471,180	614,359	450,943

*1 Megaliter = 1,000 m³

6,131 m³ of recycled water

Used by JTT and ARUKI throughout 2023 for their operations.

Wastewater Management

[SEOJK F.13]

AKR complies with government regulations and industry standards regarding wastewater (effluent) management, with all facilities equipped with wastewater treatment systems to reduce the impact on the aquatic ecosystem in each operational area. AKR also routinely inspects the pipelines in the operational areas for any leaks or damages, and immediate repairs are carried out if any issues are found.

AKR implements a regular water quality monitoring program to ensure that effluent discharges do not exceed set limits and contribute to the restoration of hydrological environments. This program includes monitoring chemical, biological, and physical components of water and effluent to ensure they remain within safe levels.

Wastewater monitoring at AKR includes collection, processing, and ensuring the quality standards of wastewater before it is discharged. Routine monitoring is conducted to ensure that wastewater meets government-set environmental quality standards. This is tailored to the industrial sector of AKR's activities and its subsidiaries.

[GRI 303-1][303-2]

In the APR area (Retail bp-AKR), wastewater is processed using a bio septic tank before being discharged. Based on laboratory measurements conducted every semester, the quality of all wastewaters meets the parameters specified in Minister of Environment and Forestry Regulation No. 68/2016 regarding wastewater quality standards. The volume of water is calculated using a flowmeter installed in the outlet flow of the bio tank.

At ARUKI, wastewater is directed to the wastewater treatment plant (WWTP), and then further treated at PT SIER's WWTP. The discharged wastewater is not reused. However, the quality of the wastewater meets SIER's wastewater quality standards. The volume of wastewater, amounting to 10,000 m³ per month, is calculated based on pollution load and monthly volume.

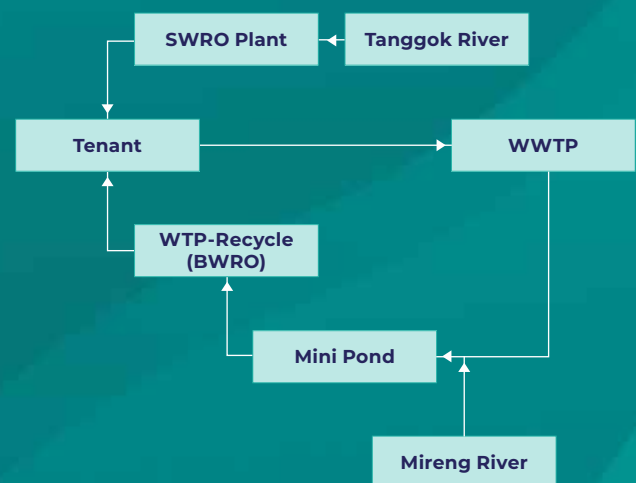
In the JTT area, wastewater is directed to the Industrial Wastewater Treatment Plant (IPAL). The discharged wastewater is not reused either. The quality of the wastewater meets the standards based on the permit issued by the Ministry of Environment and Forestry. Wastewater treated by the IPAL and meeting the standard quality will be discharged into the environment.

In JIPE-BKMS, wastewater is treated at the company's WWTP before being directed to IPAL SIER. The quality of the wastewater complies with East Java Governor Regulation No. 27/2013. Although the wastewater is not reused currently, there are plans to recycle it using Brackish Reverse Osmosis (BWRO).

If wastewater is not processed for reuse, any that meets environmental quality standards will be discharged into either the WWTP or public water bodies. All wastewater discharged into public water bodies from AKR's operational units meets quality standards and is not reused by other organizations.

A Look Inside the Water Treatment System at JIPE

JIPE has a water and wastewater treatment facility known as WWTP (Wastewater Treatment Plant) to process water taken from nearby rivers and recycle wastewater into raw water for the needs of tenants and operations in the area. All wastewater generated by JIPE tenants is directed to the WWTP facility for processing and then redirected to the Mini Pond and WTP-Recycle to be reused by tenants. This system aligns with the zero-water run-off concept promoted by JIPE, where no wastewater is discharged from the area and is fully reused by tenants and operational activities.



Spill Response

[SEOJK F.15]

In handling spills, AKR's operations and subsidiaries have operational standards in place to prevent, mitigate, and manage spills if they occur.

The effluent spill response at the JTT site is conducted in accordance with the INA-VTJ-SHEP-019 Emergency Preparedness and Response Plan. Efforts include inspection programs, equipment inspections, and spill response system inspections.

At AST, spill response efforts are carried out with the Shipboard Oil Pollution Emergency Plan (SOPEP). Before effluent spills into the sea, the Company monitors the Bunker and Loading Cargo Operation processes, aiming

to preserve marine conservation areas by monitoring and controlling waste from ships from being directly discharged into the sea.

At ARUKI, quick and responsive handling of spills uses absorbent media, such as sand or sawdust. ARUKI also implements spill prevention efforts by adhering to strict SOPs, conducting infrastructure maintenance, carrying out periodic checks on piping installations, and so forth.

[SEOJK F.14] [SEOJK F.15]

From these various efforts, no significant spills occurred in 2023.

[SEOJK F.15]

Innovations in Reducing Hazardous Waste at JIPE Power Plant

Hazardous Waste, particularly sludge oil with code A332-1, is one of the results of operational and maintenance activities in the power plant engine. The high water content in this waste poses a particular challenge in its management.

The JIPE Power Plant Operations Team has initiated efforts to address this issue through an innovative program aimed at reducing the volume of hazardous waste by separating the water content in the oily water sludge oil from the power plant. The separation process is carried out using filtration techniques. Sludge oil from the sludge tank is directed to the filtration unit, where water is separated and processed in the WWTP to reduce its COD levels.

In 2023, the team successfully separated approximately 66.7 million m³ of water from the sludge oil waste. This achievement not only reduces significant hazardous waste volume but also provides economic and environmental benefits. The innovation in hazardous waste reduction at the JIPE Power Plant demonstrates potential for adaptation in various other industries and contributes positively to environmental conservation.

66.7 million m³ of water

successfully separated from the sludge oil waste for further processing at the JIPE WWTP for reuse.

Solid Waste Management

For solid waste management, both non-B3 and B3 solid waste, the Company implements the 3R principle (reduce, reuse, recycle) and complies with relevant regulations, such as Government Regulation No. 101 of 2014 regarding the Management of Hazardous and Toxic Waste. The aim of this policy is to protect the environment from pollution and safeguard public health from the negative impacts of waste.

Waste generated by AKR's activities includes domestic waste, rainwater flowing through oil catchers located on filling station bund walls and workshops, as well as waste from operational activities classified as both B3 and non-B3. AKR's awareness of the potential waste from operational activities that may cause significant environmental impacts has prompted the Company to implement effective and responsible waste management practices.

[GRI 306-1]

Regarding domestic waste, primarily arising from water usage, AKR processes it first in biotanks before discharging it into water bodies. For the management of this waste, third parties are used, who regularly collect organic waste for processing according to the terms of the agreed contracts.

[GRI 306-2]

In waste generated by AKR, there are several categories classified as hazardous waste such as used B3 packaging, used drums, used TL lamps, used batteries, used lubricating oil, rags, oily water, sludge oil, and used absorbents. AKR collaborates with third parties in managing these types of hazardous waste, with some of them directed to final disposal facilities.

The methodology used to collect data involves counting waste collected at the Hazardous Waste Storage Facility (TPS LB3) and manifests from third parties.

Total solid waste generated by disposal method

[SEOJK F.13] [GRI 306-3] [GRI 306-4] [GRI 306-5]

Hazardous Waste (Ton)	2023	2021	2022
Final Disposal Site	83.2	104.0	34.1
On-site Storage	0.0	2.0	2.0
Third-party Disposal and Management of Hazardous Waste	419.2	326.7	771.3
TOTAL (ton)	502.3	432.7	807.4

Non-Hazardous Waste (Ton)	2023	2021	2022
Reuse	1.0	0.9	0
Recycle	1.8	0	0
Composting	3.0	3.0	0
Final Disposal Site	1,469.2	2,768.1	1,403.5
Onsite Storage	0.5	0	0
Others	275.3	213.9	777.6
TOTAL (ton)	1,750.8	2,985.9	2,181.1

From Waste to Blessing JIPE's Efforts in Reusing Inorganic Waste

The Issue of Waste: Turning Waste into Blessings

Waste management poses a significant sustainability challenge, particularly in industrial areas. The increasing volume of waste disposed of in landfills is the primary reason for the need for effective solutions. Efforts in waste sorting, utilization, and recycling are key to reducing the burden on landfills and preserving the environment.

In response to this challenge, AKR launched the 3R Area in JIPE on August 30, 2023. This reflects AKR's commitment to supporting a circular economy and reducing waste sent to landfills. The 3R Area in JIPE is built with the purpose of serving as a temporary storage/shelter for inorganic waste and a trial site for utilizing organic waste.

Despite operating for only a few months, the 3R Area in JIPE has shown significant achievements. From September to December 2023, the area has successfully stored and utilized 895.49 kg of inorganic waste.

The 3R Area in JIPE serves as a tangible example of how innovative solutions and sustainable commitments can help address waste issues. By continuously developing and optimizing this program, AKR is optimistic in contributing to creating a cleaner and more sustainable environment.

895.49 kg
of inorganic waste were reused

Biodiversity

[SEOJK F.9] [SEOJK F.10][GRI 304-1]

AKR is committed to comprehensive environmental management, including biodiversity conservation, continually striving to preserve and protect ecosystems and biodiversity in every operational area.

One tangible expression of this commitment is AKR's tree planting program in various operational locations, including JIPE, JTT, ARUKI, and BP-AKR stations. Apart

from carbon sequestration, these plantings aim to generate oxygen, prevent erosion, maintain soil fertility, and reduce air pollution.

At the close of 2023, no operational locations existed adjacent to protected areas or areas with high biodiversity outside of protected forest areas.

Preserving Nature with Nature-Based Solutions

AKR is committed to conducting business that prioritizes sustainable principles while considering environmental conservation. One manifestation is through the implementation of Nature-Based Solutions programs. AKR runs various Nature-Based Solutions programs based on the awareness that nature plays a crucial role in maintaining ecological balance and human survival. Environmental degradation can lead to various negative impacts, such as climate change, natural disasters, and a decline in quality of life.



Mangrove Planting at JIPE

- 1,000 mangrove seedlings were planted in the Watershed Area of Kali Mireng and Tanggok River.
- 100 other plants such as lamtoro (*Leucaena leucocephala*) and pulai (*Alstonia scholaris*) were planted as part of the greening program.

Mangrove Planting at Stagen Terminal (AKR)

- More than 300 mangrove seedlings were planted in the area around Stagen Terminal dock.

Tree Planting at JIPE

- 1,280 plants, including pole trees, mangroves, trembesi, pine, teak, as well as fruit trees such as durian, mango, and avocado, were planted in the JIPE area.

Total trees in the JIPE area:

- 1,277 Taproot Trees
- 71 Fibrous Root Trees

Tree Planting at ARUKI

- Planting of 500 new trees in 2023.

Environmental Compliance

[SEOJK F.16] [GRI 2-27]

AKR complies with all environmental regulations and legal standards applicable to its operations. With this commitment, AKR hopes to have a positive impact on all stakeholders. The Company actively monitors and adapts to any changes or updates in environmental regulations that may affect its business operations. Throughout 2023, AKR successfully conducted operational activities without receiving sanctions for violations or failures to comply with environmental standards.

Environmental Management Fund

[SEOJK F.4]

AKR's Environmental Management Fund consists of permit issuance, environmental monitoring, environmental campaigns, waste management, and employee training on environmental matters. By the end of 2023, AKR had allocated and realized funds totalling Rp4.57 billion.

Category of Environmental Management Fund	2023 (Rp)
Permitting	1,836,400,000
Monitoring	1,243,898,610
Environmental campaigns	63,846,400
Waste management	1,281,743,300
Training	143,518,475
Total	4,569,406,785







04

Our
People

www.akr.co.id |

☰ At AKR, Human Resources (HR) plays a crucial role in achieving sustainability, by supporting our personnel to continuously develop themselves, work hand in hand, and embrace a bright future together.

AKR understands that achieving sustainability is not easy, needing the best resources to be agile and adaptive to all conditions and challenges. Among all the required resources, the human factor is the most as the employees bring the Company's values to life and achieve targets.

Therefore, AKR is committed to the improvement and development of Human Resources (HR) and a workplace that supports the productivity of all. In practice, AKR's HR Management has created, implemented, and developed the best programs, in line with the Company's needs. It

is hoped that these innovations and developments will ensure employees can adapt to the increasingly rapid changes in the business environment.

[GRI 3-3]

In 2023, these developments have received positive responses, evidenced by the achievement of four awards at the prestigious Human Capital on Resilience Excellence Award (HCREA) 2023, where the Company won 4-Star category awards including The Readiness HC, The Talent in Management, The Most Resilient Company 2023, and The Best Leadership Development Focus in HC.

AKR Wins Human Capital Award

AKR Corporindo was recognized at the prestigious Human Capital on Resilience Excellence Awards 2023 held at the Menara Peninsula Hotel Jakarta, on Wednesday, July 5, 2023. The awards were themed "Resilient Human Capital with Global Competitiveness," and organized by First Indonesia Magazine in collaboration with PT Indonesia Popular Mandiri.

HCREA 2023 is an annual corporate rating event aimed at mapping out the issues and challenges amidst rapid digital transformation faced by human capital departments.

The judging panel maps out the issues and challenges and awards are given to organizations that demonstrate outstanding performance and significant contributions to their respective industries.

AKR received appreciation for its commitment to developing human resource talents to be agile in response to changes in the business environment, and was recognized as an adaptive and globally competitive company.



EMPLOYMENT PRACTICES

2,813

Total AKR Employees in 2023

AKR prioritizes its employees, believing that well-being and happiness are key to maximizing their contributions. Therefore, when determining company policies, AKR considers their welfare by upholding principles of transparency, equality, and fairness.

The Company strives to build good industrial relations with its personnel by fulfilling employees' normative rights, manifested through the creation of a fair and inclusive work culture, as well as adherence to values and practices

of diversity, gender equality, human rights, labor rights, and workplace safety and security.

At the end of 2023, the Company and all subsidiaries registered 2,813 employees, consisting of 2,176 permanent and 637 temporary. Currently, the Company does not have a part-time employment scheme, and data on the composition of employees by gender, education, age, and position can be found in the Annual Report on page 147.

[GRI 2-7] [GRI 2-8]

Total AKR Employees Based on Employment Status and Gender

[SEOJK C.3][GRI 2-7]

Description	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Permanent	1,902	274	1,651	282	1,719	277
Temporary	492	145	618	94	538	79
Total	2,394	419	2,269	376	2,257	356

Position	2023	%	2022	%	2021	%
	Board of Commissioners	3	0.1%	3	0.1%	3
Board of Directors	7	0.2%	7	0.3%	7	0.3%
Commissioner-level Officials	7	0.2%	8	0.3%	7	0.3%
Director-level Officials	25	0.9%	32	1.2%	31	1.2%
General Manager & Senior Manager	59	2.1%	51	1.9%	52	2.0%
Manager	137	4.9%	123	4.7%	115	4.4%
Assistant Manager	148	5.3%	145	5.5%	126	4.8%
Supervisor - Staff	937	33.3%	776	29.3%	906	34.7%
Operator	1,490	53.0%	1,500	56.7%	1,366	52.3%
Total	2,813	100.0%	2,645	100.0%	2,613	100.0%

Total number of employees based on employment contracts (permanent and temporary), by region

[GRI 2-7]

Operational Regions of AKR and its Subsidiaries	2023		2022	
	Permanent	Temporary	Permanent	Temporary
Java	1,355	625	1,342	547
Sumatra	161	3	158	3
Kalimantan	385	4	354	6
Bali	27	1	28	1
Sulawesi	77	2	49	5
Ship Crew	171	2	2	150
Total	2,176	637	1,933	712

AKR provides equal opportunities for all employees to develop their careers, whether through vertical development (advancement according to job level) or horizontal development (advancement in terms of responsibilities, such as moving from a small branch to a larger one). Career development processes are based on the results of Performance Evaluation, which assesses the achievement of KPI targets.

Through the People Development Committee (PDC) process, employees have the opportunity to express their career expectations and aspirations, as well as

the development programs they need. The PDC will then determine which employees are deemed suitable for specific positions, whether vertically, horizontally, diagonally, or remaining in their current position with additional tasks or projects according to their future career projections. In addition, the PDC can also determine succession planning as a continuous human resource sustainability to support business continuity. Career development and placement based on employee needs are prioritized from within the Company (promotion from within).

Applying Corporate Values

Corporate values are the key guidelines for all AKR employees, internalized and applied daily, and adding value and meaning to work to drive success in tasks and decision-making.

In implementing the Corporate Values Empower Your Team program, employee development at all levels was a major target in 2023. AKR Management conducted visits to branches to provide guidance and mentoring to employees, the aim of which was to assist human

resources at each branch, especially for operational roles such as Head of Tank Terminal (HoTT), HOLT, and Displan, to ensure they can work effectively and in accordance with the Company's Values.

A leader should be able to provide guidance, monitor, coordinate, and provide technical support or training to assist subordinates at each branch. It is hoped that with this development support, leaders are encouraged to carry out more intensive coaching and empowerment.

Anti-Forced Labor Policy

[OJK F.19] [GRI 409-1]

AKR, along with all related corporate entities, strongly rejects the practice of forced labor within the Company, adopting the regulations of Law No. 13 of 2003 concerning Manpower and ILO Convention 1957 concerning the Abolition of Forced Labor, maintaining respect for human rights in the workplace and in the implementation of labor practices.

AKR is also committed to building uncoerced work relationships, where both parties are bound by a mutual agreement applied from the recruitment process, and through any promotions or employee transfers. Each party clearly understands the rights and obligations that have been agreed upon.

Respect for Human Rights

[SEOJK F.18] [GRI 406-1]

Since its inception, AKR has respected and upheld Human Rights (HR) in conducting its business activities. All efforts are carried out in compliance with legal provisions and human rights principles.

All rules and policies implemented by AKR are based on:

1. The Universal Declaration of Human Rights by the United Nations,
2. The Principles of Fundamental Rights in the Workplace based on the 8 Core Conventions of the International Labour Organization (ILO),
3. Law No. 39 of 1999 concerning Human Rights,
4. The United Nations Guiding Principles on Business and Human Rights (UNGPR) and the United Nations Global Compact (UNGC) Principles.

These established policies apply to all AKR employees and every entity fully owned by the Company. Additionally, these policies are also applied to all AKR suppliers and its subsidiaries to unequivocally prohibit forced labor or coercion.

AKR has implemented strict and consistent non-discrimination principles in HR management, by:

1. Providing freedom for all employees to express opinions and suggestions, both collectively and individually.
2. Providing channels for the reporting of complaints related to violations or incidents within the scope of work.
3. Conducting business and respecting Human Rights and the dignity of all individuals in accordance with existing legal requirements.

4. Treating all employees fairly and ensuring every employee receives equal opportunities and treatment. In this regard, the company has implemented strict and consistent non-discrimination principles (based on gender, age, ethnicity, race, religion, intergroup, marital status, disabilities, social position/class) in the recruitment and HR management processes.
5. Prohibiting child labor, forced labor, trafficking of workers, and ensuring safe and healthy working conditions.
6. Avoiding wage discrimination based on gender.
7. Providing opportunities for all high-performing employees to rotate to other job areas or to be promoted to higher positions.
8. Striving to create and maintain a workplace free from harassment, intimidation, inhumane treatment, or other criteria protected by applicable laws.
9. Respecting and complying with the human rights of the communities surrounding the Company's operational areas, including recognizing and respecting community identities, cultural diversity, needs and aspirations of potentially different communities, and different social practices and customs.

Responsibility and accountability for managing HR issues lie with all management, unit leaders, and AKR employees. At the same time, the Company collaborates with stakeholders to implement these policies in every operational activity and strives to advance worthy standards for positive changes in Human Rights practices at the operational level of the Company.

Ensuring Freedom of Association

[GRI 2-30]

AKR is committed to emphasizing and guaranteeing the freedom of association for every worker through various mechanisms and communication channels that serve as avenues for workers to express their opinions. No risks related to freedom of association have been identified across AKR's operational areas.

The Company received no reports related to cases of curtailed freedom of association among AKR's workers in 2023. Human rights, including the right to associate and organize, are supported, ensuring that all employees and workers are treated fairly and in accordance with applicable laws, and can express their opinions without fear of intimidation.

AKR firmly supports the right to freedom of association for all employees, regardless of the existence of labor unions and believes that every worker has the right to express their opinions, and form or choose not to join labor unions in accordance with applicable laws.

AKR also guarantees protection for all employees and workers through Company Regulations, which ensure that their rights are respected and that the treatment provided is fair and equal. The Company is committed to fulfilling its responsibilities as a responsible employer, with a focus on welfare and creating a balance between corporate interests and those of the employees.

AKR believes that openly listening to input and feedback from employees enables the achievement of shared goals and the creation of an inclusive, sustainable work environment that benefits all parties involved.

HEALTH & SAFETY

[OJK F.21]

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.

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.

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.

Continuous SHE improvement is carried out through the following efforts:

1. Compliance with all regulations and legislation related to Occupational Health and Safety, Operational Safety, and Environmental Management applicable to the Company's business, and taking proactive steps aimed at surpassing these minimum requirements.
2. Identifying, evaluating, and managing environmental risks associated with the Company's operations, then preparing comprehensive emergency response plans to control and prevent the risks of incidents or accidents involving hazardous materials.
3. Measuring performance, periodically reviewing, and continuously improving Occupational Health and Safety, Operational Safety, and Environmental Management.
4. Prioritizing responsible and sustainable waste management in accordance with applicable regulations.
5. Continuously striving to reduce greenhouse gas emissions and improve energy efficiency in all aspects of the Company's operations.
6. Encouraging innovation and research in the development of environmentally friendly products, services, and processes.

7. Conducting open and transparent communication and consultation about the Company's environmental policy to stakeholders including regulators, employees, customers, business partners, and other relevant parties.

This policy applies to AKR employees and every Company entity, and is the responsibility of all stakeholders. The implementation of this policy is coordinated, monitored, and evaluated by the ESG Committee, then reported to the Board of Directors, Board of Commissioners, and stakeholders through AKR's Sustainability Report. The Company, together with all stakeholders, is committed to implementing this policy.

AKR applies the highest standards in Occupational Health and Safety (OHS) with the ultimate goal of achieving zero accidents. AKR aims to create an OHS culture in all operational areas, which in turn can also improve the Company's productivity, performance, and success.

To achieve this, AKR creates an excellent work environment, equipped with adequate infrastructure and supporting equipment. This is aimed at enabling the Company's employees and contractors to carry out their tasks with optimal safety and comfort. All AKR facilities, including tank terminals, ports, docks, trucks, tankers, barges, and factory facilities, have met government safety standards and relevant environmental regulations.

[GRI 3-3]

AKR's SHE (Safety, Health, and Environment) program and strategy are carried out in accordance with the applicable laws and regulations, which have been incorporated into nationally and internationally recognized management systems which are implemented and guided by, among others:

[GRI 403-1]

1. Law No. 1 of 1970 concerning Occupational Safety.
2. Law No. 23 of 1992 concerning Health.
3. Law No. 13 of 2003 concerning Manpower.

Safety is Our Way of Life

The aspect of Occupational Safety and Health (OSH) is a cultural aspect of daily activities at AKR and the responsibility of everyone.

AKR has established a dedicated department to handle OSH, namely the SHE Department, whose tasks include:

1. Facilitating the implementation of safety procedures/standards to support the elements of the OSH management system.
2. Monitoring and measuring the organization's compliance level regarding OSH.
3. Providing advice and ensuring that all OSH regulations and requirements are effectively implemented.
4. Developing and maintaining management information systems that support both documentation systems and OSH needs.
5. Monitoring waste management within the Company's environment.
6. Advising Management on crisis or emergency response.
7. Maintaining good relations with the government and other bodies regarding OSH management information.
8. Ensuring that firefighting, safety, security, and environmental control equipment types are available and functioning properly.

Health and Safety Management System

[GRI 403-1]

AKR has developed a Safety Health Management System (SHE) based on workplace risk identification that is periodically reviewed and audited to ensure compliance with national and global standards and best practices. The Company's SHE management system consists of a hierarchy of policies, plans, Standard Operating Procedures (SOPs), and various programs, all of which are designed and implemented through the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) method.

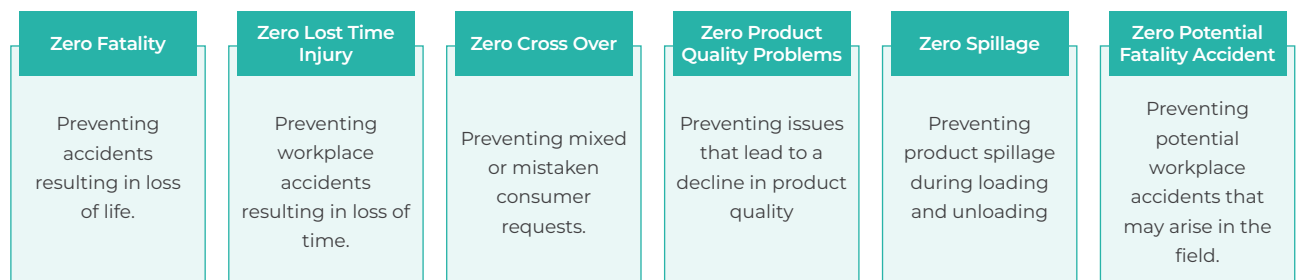
The Company's SHE management system follows applicable laws and regulations, namely:

- Law No. 13 of 2003 concerning Manpower,
- Government Regulation No. 50 of 2012 concerning Occupational Health and Safety Management Systems (SMK3),
- Standards and criteria from various health and environmental certification bodies, including ISO 14001 and ISO 45001.

All of AKR's activities, both within and outside the Company's workplace, including transportation and travel activities, are covered by the SHE management system. The implementation of this applies to all employees, including contractors performing work or present at work sites within AKR's operational areas. The Company remains responsible for contractor activities outside its operational areas.

All AKR employees, including contract workers and contractors involved in the Company's management system, undergo internal SHE audits at both headquarters and throughout operational areas. SHE audits are conducted internally and externally on contract workers and contractors subject.

To measure and achieve the success of SHE performance, a "Six Zeroes" is in operation, namely:



Risk Assessment of Occupational Health and Safety

[GRI 403-2]

AKR's Occupational Health and Safety (OHS) risk assessment observes the Standard Operating Procedures (SOP), which adhere to ISO 45001 standards. AKR's OHS SOP serves as the basis for implementing ongoing workplace safety, which is continually evaluated, adjusted, and improved to achieve higher safety standards. Compliance with these OHS SOPs is the responsibility of all stakeholders, including employees, contractors, suppliers, business partners, and guests.

In conducting assessments, the Company employs the Hazard Identification, Risk Assessment, and Risk Control (HIRARC) method, as well as the Job Safety Analysis (JSA) process. The steps involved in conducting Job Safety Analysis (JSA) are as follows:

- Identifying activities and associated risks,
- Defining and categorizing hazards,
- Assessing risks,
- Developing risk controls,
- Measuring the level of risk after implementing controls.

AKR's OHS risk assessments are carried out by supervisors in each relevant work area. These supervisors have undergone HIRARC training and are familiar with applicable standards. The OHS risk assessment process at AKR is supported by the HSE Department, which has expertise in health and safety as well as OHS risk management.

The results of AKR's OHS risk assessments, known as HIRARC documents, are reviewed and then approved by top management in each subsidiary or business unit. These documents are then communicated and distributed to all employees. The HIRARC documents serve as the basis for identifying OHS control measures, such as developing work programs, standards, and being involved in monitoring progress and achievements of the Company.

The HIRARC documents are also reviewed in situations of organizational changes, incidents, or specific emergency conditions. The identified occupational hazards and risks prioritized by the Company's OHS program in 2023 include:

1. Electric shocks
2. Machine-related injuries during maintenance
3. Falls or slips from working at height
4. Chemical spills and splashes
5. Fires
6. Accidents during material and product delivery
7. Cut wounds
8. Heat stroke
9. Traffic Accident



Zero Tolerance

in Building an Excellence Culture and Creating a Safe and Healthy Work Environment for Employees

Zero Tolerance is the core value that must be pursued and practiced in every branch and business unit. Zero Tolerance means not compromising on unsafe or hazardous matters for AKR personnel. There are 5 (five) aspects implanted to form the Zero Tolerance culture in AKR's work culture, namely:

1. Discipline Enforcement
2. Create Self-Improvement Plans
3. Understand SOPs Well
4. Consistently Pursue Targets
5. Always Willing to Learn

The Zero Tolerance practice is used by AKR Transport to hold the Driver of the Year event. This event is held as an appreciation for drivers who have successfully applied several criteria of excellence culture and K3 in their work. Drivers who implement Zero Tolerance have helped AKR Transport achieve zero accidents in its operational activities throughout 2023.

Health Service Facilities

[GRI 403-3]

In addition to focusing on safety, special attention is also paid to the health of all personnel. AKR and its subsidiaries ensure the availability of occupational health services for all employees and workers, with clinics in each of its operational areas. Each clinic is equipped with adequate healthcare professionals and regular health checks are conducted for all employees to ensure they remain fit and healthy. The presence of health services supports efforts to prevent workplace accidents and Occupational Diseases (ODs).

Person-In-Charge for OHS

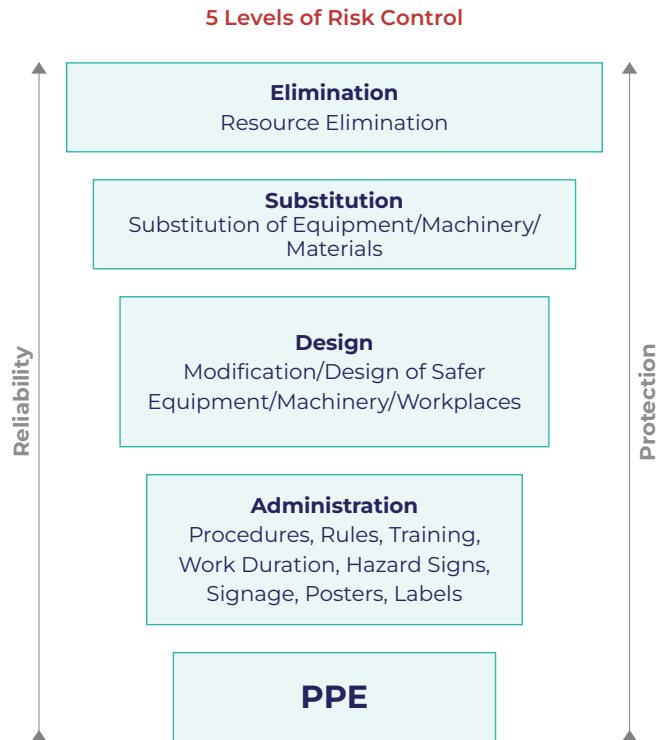
[GRI 403-4]

Effective implementation of OHS management systems and programs at AKR its subsidiary entities is the target. To ensure this, the Company has appointed a person-in-charge (PIC).

In the subsidiaries JTT and ARUKI, the Company has a formal Health and Safety Committee Management Board (P2K3) established in accordance with applicable regulations. Meanwhile, in other AKR subsidiaries, we have SHE (Safety Health and Environment) or OHS (Occupational Health & Safety) departments responsible for managing OHS. This PIC is tasked with ensuring that all employees and contractors working within the operational area are protected.

The Company also wants every individual to be aware of the risks in their work processes, not solely the responsibility of the SHE team. All AKR personnel are expected to escalate issues to their superiors if there are actions that could potentially pose hazards or risks.

In practice, the branch SHE team not only needs to conduct audits of the implementation of Standard Operational Procedures (SOPs) and working instructions (WIs) but also needs to assess the risks that will occur if SOPs and WIs are violated, and ensure that these are mitigated in accordance with HIRARC. The control measures to reduce the risk level towards a safe point are applied through the 5 levels of risk control as follows:



Occupational Health and Safety (OHS) Training

[GRI 403-5]

2,622 people

Total Participants of Occupational Health and Safety Training

AKR and its subsidiaries 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.

AKR's OHS training is led and delivered by internal experts as well as external trainers, with training categorized into general safety training, mandatory for all employees, and specific safety training, only provided to relevant employees based on their job hazards and risks. Certification training is provided by accredited external trainers. The professional OHS training team conducts audits and development to achieve improved work methods.

In 2023, AKR provided the following OHS training:

OHS Training Topics 2023	Number of Participants
Confined space entry	16
Authorized Gas Tester	8
Basic Fire Fighting	370
Emergency Drill	120
Working at height	50
PPE Training	37
Isolasi Energy	30
Terwujudnya pekerja layak yg berbudaya K3	2
Penanggulangan TBC pd tempat kerja	3
Dasar K3, penggunaan APD,tindakan darurat	20
kesehatan kerja pd tempat kerja	19
Peningkatan kompetensi AK3 umum	3
Sosialisasi Rekomendasi Angkutan B3	4
K3 konstruksi,pesawat bejana tekan,pesawat tenaga produksi	8
Strategi Pemenuhan K3 dlm business sustainably	1
How industry 4.0 & green technology inovation	3
Fire Fighting / Pelatihan Petugas Pemadam Kebakaran	33
Basic First Aid / P3K	73
Safety Operations Tank Terminal & Warehouse	131

OHS Training Topics 2023	Number of Participants
Permit To Work (PTW)	132
Lock Out Tag Out (LOTO)	167
Incident Investigation	100
Risk Assessment (HIRADC)	93
Safety Land Transport	759
Product Handling	342
Oil Spill Level 1 & 2	8
Loading Master	2
PROPER Training	17
Driver B3	70
IMDG Code	1
TOTAL PESERTA	2.622

AKR Conducts Refreshment for Head of Tank Terminal (HoTT)

On July 11, 2023, AKR held refreshment training for the Head of Tank Terminal (HoTT), emphasizing the risks involved in every process at the Tank Terminal. The potential risks were discussed from both financial and SHE (Safety, Health, and Environment) perspectives. Additionally, mitigation steps were outlined, along with Emergency Response procedures if such risks were to occur.

This training was conducted online by the Head of Tank Terminal and Warehouse HO. Its aim was to enhance the awareness and understanding of the HOTTs, obligating them to control and monitor the work processes at the terminal.

Advanced First Aid Training 2023 at AKR Surabaya

After conducting basic first aid training programs in several cities in 2022, AKR organized intermediate level training in 2023. A total of 26 participants attended from various locations, including Head Office, Nilam Timur, Nilam Utara, ATI, Warehouse, SPBKB Manyar, SPBKB Dudusampean, SPBKB Widang, SPBKB Babat, SPBKB Grati, SPBKB Tongas, and TNU.

In collaboration with PMI Surabaya, the training took a full day at the AKR Land Surabaya Building. In this Intermediate program, participants reviewed basic materials and were equipped with new topics such as medical emergencies, head,

neck, chest, spinal injuries, burns, and practical sessions on victim evacuation to the ambulance.

Moreover, instructors alternately demonstrated emergency response procedures, and participants practiced handling various emergency situations. At the end of the session, participants were divided into groups to conduct simulations and evacuation practice exams. Each group was given a different case, and evacuation processes were performed using emergency staircases. Therefore, not only skills and physical abilities were required but also teamwork.



Defensive Driving Course

AKR recognizes that the root cause of issues in transportation or road transport activities is driver fatigue and behavior while driving. Therefore, the Company strives to improve itself through Defensive Driving Course (DDC) training. This training educates drivers to drive with high skill and experience, coupled with a good attitude and concentration.

Safe driving heavily relies on a driver's experience and mental attitude. Driving behaviors that can prevent problems include being cautious not to injure others, being responsible, yielding, and being polite.

Meanwhile, for Tank Terminals, training is conducted to increase awareness of the importance of compliance in implementing SOP/WI. SOP/WI is created to ensure that operations run safely and prevent accidents or financial losses.

In 2023, AKR initiated the DDC New Module and organized several DDC New Module training sessions for all drivers. Launched at the beginning of the year, the DDC New Module is filled with new content and consists of two main parts.

The first part is Inclass Training, which discusses incidents that occur in Land Transport along with their causes, defensive driving techniques, and how to read Road Hazard Mapping (RHM).

The second part of this training is In Cabin Assessment, where participants undergo assessments inside the cabin during real trips/product deliveries. This is aimed at observing and evaluating the application of defensive driving by Land Transport Drivers, where drivers are not only required to drive safely but also to comply with rules, respond well to incidents on the road, and mitigate potential risks during the journey.



This training also covers Incidents in Land Transport and their main causes, presentation on the HATI Technique: See, Observe, Appear, Initiative, application of 3M: Observe, Understand, Comply, good and proper driving knowledge, and driving in specific conditions, such as nighttime and rainy weather.

The target participants of DDC are all RTSOs, Driver Mentors, and Land Transport Drivers. These drivers are the frontline of AKR in delivering the products sold. The training was conducted at all AKR branches, including Jakarta, Medan, Palembang, Lampung, Bandung, Semarang, Surabaya, Bali, Palaran, Kalteng, Kalsel, and Buntok.

With the implementation of this DDC training, it is hoped that AKR drivers can have the skills, knowledge, and capabilities to drive and achieve the 6 zero targets.

Hearts and Minds

To foster harmonious relationships with its employees, AKR has a program called Heart And Mind. Various activities organized within this program aim to enhance work motivation and to introduce health and welfare programs to the families of the employees visited.

AKR aims for the well-being of its employees in line with the Company's growth. At the same time, efforts are always made to maintain the physical and mental health of employees. After the implementation of medical check-ups (MCU), AKR also conducts a series of activities to support employee health. For example, AKR Stagen holds Physical Fitness Exercises every two weeks on Friday before work. Meanwhile, AKR Medan conducts a Health Campaign as a follow-up to the MCU results that have been distributed.

AKR Palaran engages in Heart and Mind activities by visiting drivers and their families. Topics discussed include employee absenteeism, microsleep incidents, speeding and violations, and any other issues. During these activities, messages are also conveyed to motivate drivers to improve their performance.

Meanwhile, AKR Semarang initiated an informal lunch as a form of appreciation for drivers who have received the Driver of the Month award. During this occasion, drivers are encouraged to maintain their achievements.

Implementation of Fatigue Management at AKR Transport

AKR Transport has implemented a Fatigue Management System to ensure the safety of employees and the public in the Company's transportation activities. The approaches include:

- Establishing policies and procedures: related to Fatigue Management. These include guidelines for scheduling and rest periods, as well as rules for reporting incidents related to fatigue.
- Providing training: to employees on the risks associated with fatigue and strategies they can use to overcome it. This training includes information on the importance of adequate sleep, nutrition, and exercise.
- Utilizing technology: such as fatigue monitoring tools to track drivers' working hours, which can provide warnings to Control Tower personnel and drivers when they are at risk of fatigue or drowsiness. Additionally, technology is used to schedule drivers with considerations that allow them to rest and recover.

- Encouraging open communication: creating an environment where all employees and workers can report fatigue-related issues to management. This can be achieved by building open communication channels and encouraging employees to report incidents.
- Evaluation and adjustment: regularly evaluating the effectiveness of the fatigue management system and making adjustments and improvements as needed.

By implementing a comprehensive fatigue management system, AKR Transport can help ensure the safety of employees and the public, while minimizing the risk of accidents and incidents caused by fatigue.

Promoting a Healthy Lifestyle

[GRI 403-6]

In addition to providing education and training, AKR also makes efforts to promote a healthy lifestyle to improve employee health and work productivity. Every year, AKR conducts various programs to enhance the health quality of employees and prevent work-related illnesses. Some of the activities carried out in 2023 include:

- Organizing regular health check-ups or medical check-ups (MCUs).
- Providing vitamins and supplements.
- Conducting Healthy Talks.

Rp1.18 billion

The Company's investment in implementing MCU to reduce employees' health risks.

Concerned about Employee Health, AKR Holds Medical Check-Up (MCU) Event

As a manifestation of its concern for employee health, from July 17th to 21st, 2023, AKR held a Medical Check-Up (MCU) event. This activity took place at the headquarters and all AKR branch offices in Surabaya, Pontianak, Banjarmasin, Bitung, Stagen, and Bali.

During this MCU, employees underwent blood and urine tests. These examinations revealed blood lipid metabolism, blood sugar levels, HBsAG, kidney and liver function, as well as other health conditions. Additionally, there were eye health examinations, BMI measurements, thoracic x-rays, heart examinations (EKG) for employees aged 35 and above, and consultations with doctors.

As a follow-up to the MCU, several employees were directed to undergo further examinations and some of them needed treatment. The results of this MCU were also used in collaboration between the HR team and the NetOps team, particularly in the Fit to Work process, which is a health check for Land Transport drivers. The Fit to Work process is conducted before employees drive AKR trucks. Intensive monitoring is needed for conditions such as hypertension, high cholesterol, and high blood sugar.

AKR encourages every employee to follow up on the results of this MCU by consulting a doctor, undergoing necessary treatment, changing their diet, and also adopting a healthier lifestyle. Above all, what is equally important is how employees can be disciplined in carrying out all their activities, so that their health can be continuously maintained.



Smart Choices for a Healthy Lifestyle

Employee health is crucial for the Company as sick employees will undoubtedly disrupt performance and productivity. Therefore, employee health must always be maintained, considering that unhealthy lifestyles can be adopted by anyone, such as being lazy to exercise, consuming sugary foods, smoking, lack of sleep, and so on. All of these tendencies tend to lead to degenerative diseases such as diabetes, high cholesterol, high blood pressure, uric acid, cancer, and so on.

Currently, the Ministry of Health of the Republic of Indonesia also urges the entire population to adopt a healthy lifestyle through the initiation of the CERDIK movement, which includes:



In line with these recommendations, AKR encourages employees to truly be able to maintain their health, so that they can experience various benefits such as strong immunity, better quality of life, reduced risk of illness, and caring for mental health.

Prevention and Mitigation of Occupational Health and Safety Impacts

[GRI 403-7]

In carrying out operational activities, the risk of workplace accidents will always exist. Therefore, AKR strives to prevent significant workplace incidents. Various efforts to prevent accidents have been made by mitigating the impacts of operational activities. In practice, each of AKR's subsidiaries has consistently implemented OHS incident monitoring, which includes information about incidents, causes of incidents, corrective actions, and follow-up on the implementation of corrective actions.

Workers Covered by the Occupational Health and Safety Management System

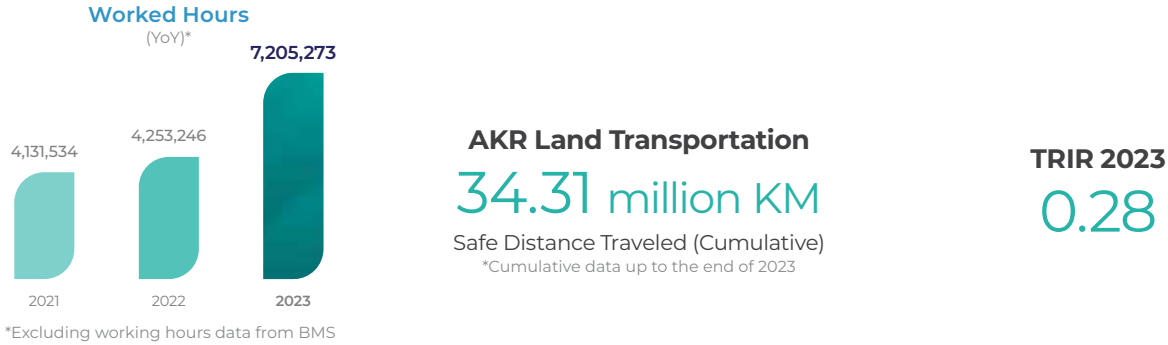
[GRI 403-8]

The Occupational Health and Safety Management System not only protects AKR employees but also includes all workers in operational areas, including contractors working within AKR's operational areas who are also covered by the OHS management system. In addition to employees, contractors are also required to implement safe work practices, comply with all occupational health and safety policies and procedures, and report any safety hazards or unsafe work practices.

Health and Safety Performance

[GRI 403-9]

The policies, strategies, systems, and various occupational health and safety programs consistently implemented throughout AKR's operational areas achieved excellent performance statistics in 2023, as follows:



Total Frequency and Categories of Workplace Accident Incidents

Types of Accidents	2023	2022
Fatal Accidents	0	0
Serious Accidents	10	11
Moderate Accidents	0	2
Minor Accidents	22	43
Near Miss Incidents	93	21

Occupational Diseases

[GRI 403-10]

AKR has implemented various efforts to improve occupational safety and prevent work-related diseases. Throughout 2023, these efforts yielded excellent results with no cases or fatalities due to work-related diseases.

AKR has identified major Occupational Diseases (ODs) that are of concern to the company, namely:

- Cephalgia
- Hypertension
- Gastrointestinal issues
- Myalgia
- Vertigo
- Pneumonia
- Irritation
- COVID-19
- Lung diseases
- Contact dermatitis
- Musculoskeletal disorders

EMPLOYEE ENGAGEMENT, DIVERSITY & INCLUSION

Diversity and inclusion, upheld by AKR, have become integral parts of the Company's values, strengthening sustainability performance. With diverse backgrounds, all employees, from entry-level to management, have equal rights to engage, express opinions, work, and innovate. AKR's inclusivity policy also encourages the diversity of officials, based on gender, educational background, and age groups.

[SEOJK F.18]

Work-life Balance

[SEOJK F.21]

The Covid-19 pandemic has taught the world to always be prepared and adaptable to change. This ability must be continuously maintained because challenges will always arise. To withstand any condition, a balanced life is necessary. Therefore, AKR is committed to maintaining a balance between employees' personal and professional lives, as individuals can only work and deliver optimal results when the balance in their lives is fulfilled.

AKR Group Activities

The Latin expression, "Mens sana in corpore sano" (A healthy mind in a healthy body), is applied in activities across all subsidiaries of the AKR Group, encouraging employees to engage in physical activities to achieve a balance between physical and mental health, with employee-organized activities fully supported by the Company.



Banjarmasin Branch Activities

The Banjarmasin branch office regularly organizes badminton and futsal activities for its employees. Badminton is held every Friday, futsal every two weeks, and both activities are positively responded to by employees to maintain physical health and relieve work stress.



Celebrating August 17th

After being discontinued in 2020, sports competitions in celebration of August 17th have once again been held at AKR's headquarters. Badminton and futsal are the main sports but branches are given the freedom to organize other competitions according to the local employees' interests.



AKR Participates in Friendship Futsal Match

AKR engaged in a friendly football game with Asahimas Chemical (ASC), eventually won by Team ASC. Following the match, a communal meal was shared together at the venue.



Running Together with DPR using the STRAVA Application

AKR organized a running event together with the DPR (House of Representatives) using the STRAVA application, which strongly supports the achievement of running goals.

This program sets a target of 10 km every 2 weeks, or 250 km per year, with the number of participants reaching the target increasing from 65% in 2022 to 90% in 2023. Those who didn't reach the target had to participate in a Sharing Session Event and become part of the event committee.



Hiking Together

Nature enthusiasts from the Control Tower Team, IT Team, and AST Team of AKR Headquarters in Jakarta organized a hiking trip to climb Mount Ciremai, which stands at 3078m above sea level. The hikers departed on Friday after work and returned home on Sunday, fostering camaraderie among all participants.

Recruitment and Employee Turnover

[GRI 401-1]

AKR recognizes that recruitment is a priority in supporting sustainable growth. Therefore, newly recruited talent must meet the needs, qualifications, and also understand and align with the Company's culture and values.

Recruits must fully understand their responsibilities and commit to growing with the Company. Additionally, AKR must ensure to acquire employees who not only have the right skills but also have attitudes that align with the Company's values.

Filling vacant positions will first be offered to internal candidates. However, if the employee evaluations show that there are no internal candidates who meet the required competency standards, AKR will conduct an open and transparent recruitment process to the general public. All applicants have equal opportunities without discrimination based on gender, ethnicity, race, or religion, as long as they meet the competency requirements set.

The current recruitment process is digital, in place since 2020. By utilizing technology and social media, the process begins with candidate search activities through digital media (e-sourcing). Subsequently, interested candidates can directly submit their applications through AKR's career website, linked to e-recruitment. Data from the applicants is then directly integrated into the Human Resources Information System (HRIS). The recruitment team also uses social media platforms such as LinkedIn and Instagram to disseminate information about job vacancies.

[SEJJK F.18]

As of December 31, 2023, the Company has a total of 2,813 employees, including contract employees. This number increased by 200 compared to the previous year, totaling 2,613 individuals. In 2023, AKR recruited 485 new employees, consisting of 412 males and 73 females.

Recruitment of New Employees Based on Gender

[GRI 401-1]

Description	2023	%	2022	%	2021	%
Male	411	85%	371	84.5%	399	89.5%
Female	73	15%	68	15,5%	47	10.5%
Total	485	100%	439	100%	446	100.0%

Recruitment of New Employees Based on Age Groups

[GRI 401-1]

Description	2023	%	2022	%	2021	%
Age below 30 years	249	52%	276	62.9%	218	49%
Age 30-50 years	212	43%	150	34.2%	227	51%
Age above 50 years	24	5%	13	3.0%	1	0%
Total	485	100%	439	100%	446	100%

Recruitment of New Employees Based on Region

[GRI 401-1]

Company	Region	2023	%	2022	%	2021	%
AKR	Java	53	10.9%	72	16.4%	249	55.4%
	Sumatra	18	3.7%	12	2.7%	17	3.9%
	Bali	0	0.0%	0	0.0%	0	0.0%
	Kalimantan	82	16.9%	47	10.7%	25	5.7%
	Sulawesi	29	6.0%	7	1.6%	8	1.8%
	Ship Crew	152	31.3%	115	26.2%	0	0.0%
JTT	Jawa	4	0.8%	4	0.9%	4	0.9%
JIIPE - BKMS	Jawa	22	4.5%	15	3.4%	14	3.2%
JIIPE-BMS	Jawa	7	1.4%	2	0.5%	3	0.7%
APR	Jawa	111	22.9%	156	35.5%	117	26.8%
DPR	Jawa	2	0.4%	3	0.7%	3	0.2%
ARUKI	Jawa	5	1.0%	6	1.4%	6	1.4%
Total		485	100.0%	439	100.0%	446	100.0%

A driver for recruitment process is vacant positions resulting from employees resigning. In 2023, AKR also experienced employee turnover (turnover is defined as the process where employees leave the Company voluntarily). The turnover ratio for the Company in 2023 was 1.5%, with a total of 485 employees resigning, consisting of 412 male employees and 73 female employees.

Turnover Ratio 2023

[GRI 401-1]

1.5%

Employee Turnover Based on Region

[GRI 401-1]

Company	Region	2023	%	2022	%
AKR	Java	93	23.4%	125	29.6%
	Sumatra	15	3.8%	21	5.0%
	Bali	1	0.3%	1	0.2%
	Kalimantan	63	15.9%	56	13.3%
	Sulawesi	14	3.5%	8	1.9%
	Ship Crew	174	43.8%	148	35.1%
JTT	Jawa	7	1.8%	4	0.9%
JIIPE - BKMS	Jawa	10	2.5%	11	2.6%
JIIPE-BMS	Jawa	0	0.0%	2	0.5%
APR	Jawa	11	2.8%	37	8.8%
DPR	Jawa	3	0.8%	2	0.5%
ARUKI	Jawa	6	1.5%	7	1.7%
Total		397	100.0%	422	100.0%

Overall, the turnover ratio of the Company has remained relatively stable over the past two years and a healthy turnover ratio is typically below 10%. The low turnover ratio at AKR is attributed to the support of various employee engagement programs and human resources development strategies implemented by the AKR People Development Department.

Employee Benefits

[OJK F.20][GRI 401-2]

Based on their employment status, AKR employees are categorized into permanent and non-permanent/contractual employees. The difference in status affects the benefits received as part of employee remuneration. Below are the benefits provided to full-time employees, which are not provided to temporary or part-time employees:

Allowances	Permanent Employees	Contract Workers
Religious Holidays	√	√
Welfare	√	√
Income Tax	√	√
Housing	√	√
Transportation	√	√
Life Insurance	√	√
Healthcare Coverage	√	√
Maternity Leave	√	√
Meals	√	√
Position	√	√
Vehicle	√	√
Fuel	√	√
Communication	√	√
Pension	√	

Note:

For information on the allowances provided by each of AKR's subsidiaries, please refer to page 124.

Employee Benefits Policy

In addition to meeting the Provincial/City Minimum Wage requirements, AKR also pays attention to the welfare of its employees. The Company provides various allowances and facilities to both permanent and non-permanent (contractual) employees:

Allowance Regulations for Permanent and Non-Permanent Employees at AKR

No.	Allowances	Permanent	Temporary
1.	Health benefits are provided based on the level and length of service of each employee.	√	√
2.	Pension benefits are provided to employees who have worked for 15 years or more and have reached retirement age (55 years).	√	-
3.	Vehicle ownership program, based on the policy of each division and depending on the length of employment.	√ Based on level, and length of service	√ Leased, based on level

No.	Allowances	Permanent	Temporary
4.	Housing allowance is provided for employees stationed outside the city as well as for foreign workers.	√ For employees placed outside the hiring point and foreign workers	√ For employees placed outside the hiring point and foreign workers
5.	Meal and transportation allowances are provided up to the supervisor level.	√ For specific job titles	√ For specific job titles
6.	Communication device and credit card allowances are provided for certain divisions.	√ For specific types of work	√ For specific types of work
7.	Paid leave for 12 working days (will increase with length of service, up to a maximum of 20 working days). *Leave is not an allowance.	√ After 12 months of work	√ After 12 months of work
8.	Maternity leave for 3 months for female employees who give birth. *Leave is not an allowance.	√	√
9.	Leave days for special events such as death, circumcision, baptism, graduation, childbirth, and others for employees.	√	√
10.	Membership in the Workers Social Security Agency (BPJS Ketenagakerjaan, formerly known as Jamsostek).	√	√
11.	Old-Age Security Program provided by the Workers Social Security Agency (BPJS Ketenagakerjaan, formerly known as Jamsostek).	√	√

JAMSOSTEK DAY

On September 6-7, 2023, AKR welcomed the Office of Social Security Administration (BPJS) for Employment in West Jakarta. During their visit, BPJS for Employment conducted a socialization session regarding employment matters at AKR Tower, providing information on various Jamsostek programs.

AKR employees and employees from other tenants were able to visit the available booths to receive explanations about the JHT (Old Age Insurance), Pension Insurance, Job Loss Insurance, Accident Insurance, Death Insurance, as well as the BPJS for Employment mobile application, JMO.

Maternity Leave

[GRI 401-3]

Maternity leave is a right for all AKR employees, regulated by Manpower Law and adopted by Company Regulations. Through the provision of maternity leave, employees can prepare for the birth process properly. The Company provides 3 (three) months of maternity leave for female employees, and 3 (three) days for male employees.

During 2023, the number of female employees who took maternity leave was recorded as 15 individuals. Out of this number, 15 individuals or 100% have returned to work and are still employed 12 months after their leave period ended.

Meanwhile, male employees who took leave to accompany their wives during childbirth numbered 6 individuals or 100% of the total employees who took maternity leave, and all male employees have returned to work and are still employed 12 months after their leave period ended.

Management & Industrial Relations

[GRI 402-1]

An industrial relations policy is a necessity for AKR to ensure business continuity, create a conducive work environment, provide pride to workers, and build a positive reputation in the eyes of external parties. Creating harmonious industrial relations is an effective way to improve working conditions, productivity, competitiveness, and job quality, besides serving as an indicator of Good Corporate governance.

AKR is committed to continuously improving employee welfare by ensuring the fulfillment of all normative rights in accordance with applicable laws and regulations. AKR consistently builds relationships of mutual respect with all employees and workers.

In practice, the Company regularly holds various communication forums to discuss various aspects related to industrial relations. The aim is to maintain positive relationships, freedom of expression, and openness in sharing information. In situations of significant operational changes in the business. The Company is committed to providing a minimum of 1-month notice before any change occurs, in accordance with regulations and applicable legal provisions, as stipulated in the Collective Labor Agreement (CLA).

Consolidation Meeting on Company Vision and Strategy for 2023

On March 27, 2023, in order to enhance collaboration and closer cooperation, the Company took the initiative to hold a Regional Meeting, attended by all Divisions and Regions, at the AKR Headquarters. This meeting was important to continue fostering collaboration and key to the Company's success. All Heads of Branches and relevant Department heads gathered to discuss strategies and action plans together. They are expected to continue fulfilling their roles and responsibilities effectively, so they can actively participate in achieving common targets.

Monthly Communication Media with Company Values Theme

In fostering Company values and workplace culture, AKR continued its communication efforts through the Digital Business and Communication Division under the Human Resources Department. The Company regularly issues newsletters to convey information about activities, while providing opportunities to educate employees about Company values through relevant themes at that time.

For example, the Company uses the theme "Zero Tolerance" to convey Occupational Health and Safety values. Additionally, the Human Resources Department disseminates information about Company values to employees through e-mail, the internet, and WhatsApp messages.

NON-DISCRIMINATION AND EQUAL OPPORTUNITIES

[SEOJK F.18]

AKR upholds the principles of non-discrimination and equal opportunities, where everyone has an equal opportunity to work and develop their career without discrimination or favoritism.

Employee Salary Ratio with Minimum Wage Standard

[SEOJK F.20][GRI 202-1]

The welfare aspect of employees is a primary concern for AKR. As such, the Company adopts government regulations related to employee wages, including new employees (entry level). These regulations include adjusting the salary in line with inflation rates and meeting regional minimum wage standards (UMR) in each operational area, in accordance with applicable regulations.

Equal Opportunity and Chance

[SEOJK F.18][GRI 405-1]

AKR provides equal opportunities regardless of gender, ethnicity, religion, race, class, gender, or physical condition, applied from the employee recruitment process onwards. Appointments of prospective employees are based on the results of selection, evaluation during the probationary period and worker orientation, providing equal opportunities to everyone.

Due to AKR's business activities in the logistics supply chain sector, which at the operational level requires

male labor such as tank terminal operators, ship crews, truck drivers, and safety officers, the composition of the Company's human resources is predominantly male.

In 2023, women held 24% of the middle to upper management positions at AKR. This percentage indicates that AKR continues to uphold gender equality, including for those holding important positions, as seen in the following table:

[GRI 202-2]

Gender Diversity Based on Job Level

Gender Diversity Based on Job Level	2023		2022		2021	
	Male	Female	Male	Female	Male	Female
Board of Commissioners	3	-	3	-	3	-
Board of Directors	4	3	4	3	4	3
Commissioner-level Officials	7	-	8	-	7	-
Director-level Officials	20	5	28	4	28	3
General Manager- Senior Manager	50	9	39	11	41	11
Manager	102	35	89	34	85	30
Assistant Manager	109	39	112	33	97	29
Supervisor – Staf	995	294	605	177	723	183
Operator	1,103	35	1,381	114	1,269	97

Age Diversity Based on Job Level

Position	2023			2022			2021		
	<30 yo	30-50 yo	>50 yo	<30 yo	30-50 yo	>50 yo	<30 yo	30-50 yo	>50 yo
Board of Commissioners	-	-	3	-	-	3	-	-	3
Board of Directors	-	-	7	-	-	7	-	-	7
Commissioner-level Officials	-	3	4	-	3	5	-	1	6
Director-level Officials	-	10	15	-	14	18	-	13	18
General Manager- Senior Manager	-	29	26	-	32	19	-	32	20
Manager	-	118	23	-	108	15	-	101	14
Assistant Manager	9	121	18	14	115	16	8	103	15
Supervisor – Staf	633	614	42	191	543	42	265	602	19
Operator	242	775	121	626	780	94	418	838	110

Commitment to Support Gender Equality, Jakarta Tank Terminal Targets 23% Female Employees [OJK F.18]

Jakarta Tank Terminal (JTT) is committed to achieving gender equality in the workplace. One concrete step taken has been setting a target of 23% female employees. JTT's target is higher than the global average of women working in the transportation and logistics sector, which is 22% (International Transport Forum Report, 2018).

Currently, the composition of female employees at JTT has reached 21% and AKR strives to increase the number of female employees to achieve the established target.

JTT's commitment to gender equality is an important step that can benefit all parties, both employees and the Company. By creating an inclusive work environment and embracing diversity, AKR can enhance employee creativity, innovation, and productivity. Moreover, increasing the number of female employees can also strengthen the Company's long-term sustainability and stability.

To achieve the target of 23% female employees, JTT is taking several strategic steps, including:

1. Providing equal job opportunities for all genders: JTT adopts a fair and inclusive recruitment policy, without discrimination based on gender. JTT also ensures that the selection process is conducted objectively and based on relevant qualifications and work experience.
2. Providing equal training and development opportunities for all employees: JTT ensures that all employees, including female employees, have equal opportunities to participate in the training and development needed to advance their careers. This can help female employees improve their skills and knowledge, enabling them to take on more strategic roles in the Company.
3. Increasing awareness of gender equality in the workplace: JTT continues to raise awareness of the importance of gender equality in the workplace through training, discussions, and socialization conducted at all levels of the organization. The Company also promotes an inclusive work culture that embraces diversity, so that all employees feel accepted and valued.

AKR Woman Leaders



Melyati Yuwono
Deputy Tax & Accounting

At AKR, working is an enjoyable and noteworthy journey, fostering both learning and career advancement. I'm motivated to be proactive and creative, while adhering to SOPs and guidelines. The atmosphere promotes open dialogue, enhancing every interaction, while the company's strong focus on employee wellbeing, through incentives and support during challenging times, underscores that AKR is more than just a workplace; it's a big family to me. I also appreciate the value and celebration of diversity within AKR, which provides an inclusive environment with no gender, race, or religious discrimination. For me, AKR is a place where competence comes first and every shared moment is an opportunity to celebrate togetherness.



Erpiny Tan
Deputy Network & Operations II

The most fulfilling aspect of my tenure at AKR is the chance to collaborate with individuals who are not only proficient in their respective domains but also compassionate and authentic. AKR allows me to improve my skills and find the best version of myself by providing the best place to learn, work and grow across functions and departments. Gender poses no barrier for me to develop professionally and collaborate with diverse teams in shaping policies and driving continuous improvements at AKR.



Siswatiningsih, S.T.
Manager of Production Adhesive
ARUKI

Being a member of PT ARUKI's extended family fills me with gratitude and pride. Over my 23 years of tenure, I've consistently been provided opportunities for personal and professional growth. Currently, I have the privilege of leading a team of 40 individuals within the Adhesive Production Department. I am confident that with a good working environment and employees who support each other, PT ARUKI will grow into a leading adhesive manufacturing company in Indonesia and increasingly worldwide.



Paula V. Bombong
Director of Finance PT Jakarta Tank
Terminal

At AKR-JTT, I experience a nurturing family environment where every employee's voice is genuinely acknowledged, notably through the constructive Employee Engagement Survey. Our contributions are valued, and our feedback is acted upon with tangible measures. Safety holds utmost importance, instilling a sense of security while working in Tanjung Priok. The company establishes clear expectations and offers guidance on achieving them, allowing room for learning from mistakes. The array of growth opportunities is expansive, with ample training opportunities tailored to our roles, including a scholarship program for eligible individuals and access to online coaching. This supportive environment has facilitated my professional and personal development tremendously.



**R. Ayu Yayuk
Dwiastuti**
External Relation and Special
Economic Zone Director

Working at PT Berkah Kawasan Manyar Sejahtera (BKMS), overseeing the Gresik SEZ or JIPE - Java Integrated Industrial and Ports Estate and being part of the AKR Group, has been a very challenging and exciting experience. Here, I've witnessed how a company with immense growth potential offers equal opportunities for all employees to grow and advance their careers together. BKMS is fully dedicated to promoting gender equality and fostering a supportive and inclusive work environment for women through various inclusive career development initiatives.

As one of Indonesia's premier SEZs, BKMS continually endeavors to enhance its standards and maintain its excellence by attracting top talents and professionals, irrespective of gender. The open and inclusive work culture instills a sense of comfort and appreciation among women employees like myself. BKMS is not only a fun place to work, but a place where we women can work and build our careers wholeheartedly, with ample room for growth and equal opportunities for everyone to progress together as the company evolves.



Dewi Djunaidi
Director of Finance PT BMS

As a female leader, I firmly believe that challenges and opportunities are interlinked. BMS places great importance on the reliability and competence of its employees as the bedrock for sustainable success. We persist in fostering innovation and offering opportunities for potential talent to develop collectively.

At BMS, we prioritize gender equality within our workplace. Every year, BMS strives to increase the representation of female workers by bringing in female workers to support BMS business development. It is BMS' commitment to eliminate gender bias and discrimination in the workplace. We are committed to creating an inclusive work environment, where diversity supports innovation and productivity

Empowering Disability

In order to implement inclusive practices and uphold equality in its operations, the Company has recruited employees with disabilities. For the Company, this recruitment is not just about fulfilling legal obligations, but also represents a valuable investment for the long-term sustainability and success of the Company in terms of innovation, diversity, and social responsibility.



JTT Employs 1 Employee with Disabilities

JTT currently employs one person with disabilities, who is responsible for managing the garden in the JTT workplace environment.



APR Employs 1 Employee with Disabilities

APR currently employs one person with disabilities at the front-line service. This employee directly serves the community members who wish to refuel at the gas pump station.

Gender-Based Remuneration Ratio

[GRI 405-2]

AKR and its subsidiaries do not differentiate between gender in their remuneration policies. Every employee, regardless of gender, receives the same fair ratio, which is 1:1. The amount of remuneration is determined through a series of processes that consider competence, experience, performance achievements, and responsibilities.

Discrimination Incidents and Remedial Actions Taken

[GRI 406-1]

AKR provides facilities and mechanisms for all employees to report anything that does not go as it should. Through the Whistleblowing System, issues such as workplace discriminatory incidents, fraud, and others can be reported. AKR ensures that all reports submitted are confidential and will be followed up in accordance with Company regulations. In 2023, AKR received no reports of workplace discrimination incidents.

LEARNING & DEVELOPMENT

[OJK F.22]

AKR continues to support the ongoing improvement of employee competencies, with employee training a crucial element in managing human resources. The Company's development and adaptation to changing times depends greatly on the knowledge and skills possessed by employees.

To ensure that employees have sufficient skills, 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 inclusive work environment.

NEOP Program for New Employee Training

The primary focus of the Human Resources Department is the implementation of training programs for new employees. AKR believes that adequate guidance and quality training for new employees will accelerate their contributions to the Company. The strategy implemented is to accelerate the learning curve through an onboarding program.

In its execution, new employees are required to participate in the NEOP (New Employee Orientation Program). This

program details the Vision, Mission, history, internal regulations, and information needed by new employees. They are also provided with explanations about their tasks, responsibilities, performance indicators, and on-the-job training, to enable them to contribute quickly.

During the probationary period, the Recruitment and Training Department regularly holds meetings with new employees and their supervisors. The aim is to evaluate learning progress and address any obstacles that may arise during work.

Training Hours

The regular training provided by AKR aims not only to impart skills to employees to advance their careers but also to enhance motivation, loyalty, and performance. The total training hours in 2023 amounted to 51,211.2 hours with details as shown in the following table:

Training Hours by Gender

[GRI F.22][GRI 404-1]

Details	2023			2022			2021		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Total Training Hours	40,355.9	10,855.3	51,211.2	28,903.5	13,625.0	42,528.5	62,629	5,397	68,026

Average Training Hours by Gender

Description	2023	2022	2021
Male	16.86	12.7	27.75
Female	25.91	36.2	15.16

Average Training Hours by Job Level

Description	Total Training Hours	Number of Employee	Average Training Hours per Employee
President Director – Director	78	25	3.12
General Manager - Senior Manager	53	59	0.90
Manager	684.1	137	4.99
Asst Manager	1,401.4	148	9.47
Supervisor	4,881.95	703	6.94
Staff - Senior Staff	4,377.1	586	7.47
Operative	39,735.6	1,138	34.92
Total	51,211.15	2,813	18.21

Throughout 2023, the Company continued efforts to accelerate digitalization through communication, education, socialization, and the implementation of internal events.

AKR Training Programs

[GRI 404-2]

The key to success in business and organizational development lies in the quality of human resources. Therefore, AKR implements education and competency development programs to shape individuals who are excellent and highly competent, capable of working effectively and efficiently to enhance productivity and organizational maturity. Thus, members of the Company can enhance sustainable value and benefits.

In 2023, the focus was on implementing fundamental training programs. The Company pays attention to mandatory training and believes that these are key to risk management.

To determine the appropriate training programs for AKR employees, the HR Department collaborates with the relevant Heads of Division to determine a matrix that aligns with the job roles or functions of each employee. This matrix contains mandatory training programs, whether developed internally or externally through third-party training providers collaborating with AKR.

The internal training implemented by AKR will enhance employee competencies in terms of skills and knowledge according to their tasks and responsibilities. These are updated every 1-2 years to align with evolutions in the business world. AKR also ensures that employees receive the latest knowledge from both Standard Operational Procedures (SOP) and working instructions.

Training provided by third-party collaborators refers to training needs based on government regulations related to AKR's core business and usually have licenses issued by formal institutions such as the National Professional Certification Agency (Badan Nasional Sertifikasi Profesi, BNSP) and the Ministry of Manpower, with a validity period of between 3 – 5 years, and must be renewed before the expiration date.

In addition to the aforementioned training categories, there are also training programs specifically organized for employees based on specific needs to enhance their skills and knowledge. These training programs are generally provided to employees based on individual needs or for the development of the respective employees and are not scheduled regularly but arranged based on emerging needs.

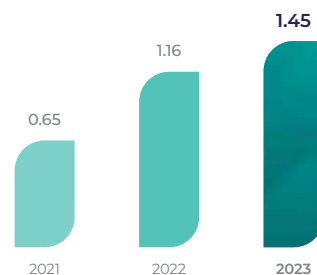
The training topics conducted at AKR and its subsidiaries throughout 2023 included aspects such as:

- NEOP (New Employee Orientation Program)
- Corporate Values
- Technical
- Skill Certifications
- Leadership
- Occupational Health and Safety
- Environmental Management
- Governance
- Legal
- Soft Skills
- Information Technology
- Languages

Rp1.45 billion

Investment in Education and Training Programs for the Year 2023

Investment on Training of AKR Holding Employee
(billion Rupiah)



Position	Total Number of Training Participants
Manager	2,622
Assistant Manager	136
Operative Non Skill	820
Total	3,578

The Company and its subsidiaries have a training policy for both leaders and employees. The training provided can be in the form of enhancing hard skills as well as soft skills. Training programs are also tailored based on performance assessments and specific needs identified by the Company to enhance employee competencies, especially those related to Certification of Expertise in accordance with the standards of the National Professional Certification Agency (BNSP).

Training at AKR and several subsidiaries can be conducted externally through training consultant vendors or in-house training such as fire safety, HSSE, Site Training, English language, MS Excel, and others. External training may include motivational/team building training, OHS certification for chemistry/electricity/hazardous material drivers, and others,

Employee Performance Assessment

[GRI 404-3]

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.

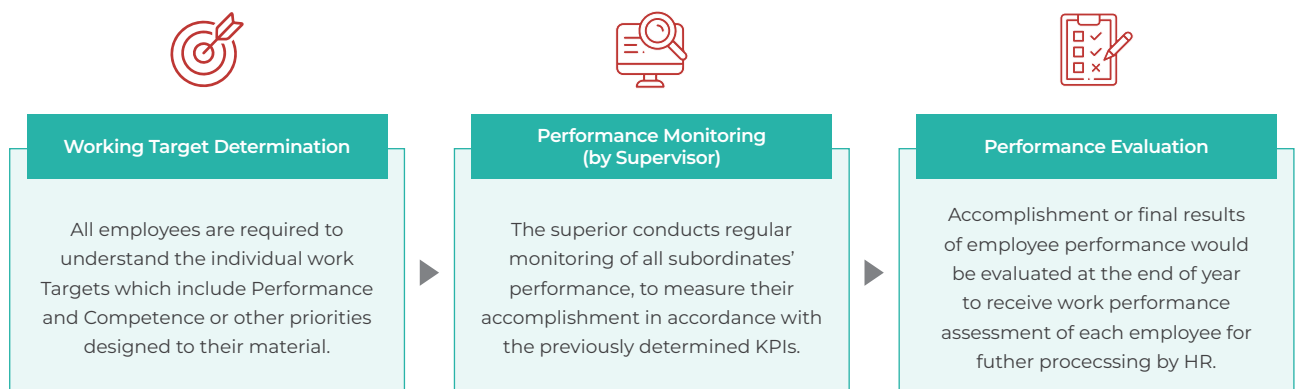
All employees at AKR and its subsidiaries receive regular performance evaluations. At ARUKI, performance evaluations are conducted once a year. Meanwhile, for AKR, BKMS, APR, BMS, JTT, and DPR, performance evaluations are conducted twice a year, at mid-year and year-end.

Performance evaluations are conducted twice through regularly scheduled monitoring by supervisors on the achievement of predetermined work targets. Employee evaluations in terms of competency and potential are conducted mid-year. Additionally, employees

in probationary periods, on contracts, or occupying temporary positions also undergo routine evaluations. At the directorate level, routine evaluations are conducted based on overall business achievements in the relevant divisions and departments.

Since 2022, the Company has revitalized Key Performance Indicators (KPIs) for all positions. The revitalization of KPIs is aimed at achieving several strategic targets:

- Ensuring that all strategic goals of the Company can be cascaded from the top leadership to all levels of employees.
- Ensuring that there is a collaborative process between departments in line with the Company's values.
- Aligning communication processes between supervisors and subordinates, and the development process of subordinates.
- Serving as the basis for fair employee evaluations and the process of rewarding good performance.



In recent years, AKR has implemented the People Development Committee (PDC) program for employee career development. PDC is an objective performance evaluation process for each employee, conducted by an assessment committee comprising the direct supervisor and career advisors (advisors) of the evaluated employees.

In the PDC system, employees are evaluated based on two aspects: performance and potential. Both aspects are assessed by supervisors, subordinates, and peers, and each employee enrolled in the PDC program engages in discussions with their advisor regarding career aspirations, passion, motivation, and engagement.

The Performance Appraisal Process and Metrics

Performance Management People Development Committee (PDC)		
Pre PDC	PDC Session	Post PDC
<p>Advisor + Advisee Marketing</p> <p>Each Advisee will be given the opportunity to discuss with the Advisor regarding career aspirations, passion, motivation, and engagement. The Advisor can further guide by providing development programs and improvements to performance as needed. The PDC process is conducted in stages according to the employee's level and is subject to continuous improvement and development.</p>	<p>People Development Committee Marketing</p> <p>After the Advisor + Advisee meeting is conducted and all supporting documents from the Advisee are complete, the Committee holds a meeting and discussion regarding:</p> <ul style="list-style-type: none"> · Talent Pool for further direction with the provision of development programs. · Employee Mobility or Career Outlook as per the company's needs, which may include vertical, horizontal, diagonal, or staying in the same position. · Project Assignments needed by the Advisee and recommendation of an Action Plan. 	<p>Employee Development</p> <p>Through the PDC process, the Company can also determine:</p> <ul style="list-style-type: none"> · Succession planning as a continuation of human resources to support sustainable business continuity. · Individual Development Plan as a plan to enhance the knowledge and abilities of the Advisee with career planning and performance management activities. · Performance Improvement Plan, which can be used to help improve performance and provide clear guidance for future improvements.

In career development, AKR offers two paths: vertical and horizontal. Vertical advancement involves progressing within the job level, while horizontal advancement entails increasing responsibilities, such as moving from a small branch to a larger one. The career development process is based on the results of Performance Evaluation, which assesses the achievement of KPI targets processed by the HRD Committee.

This committee will determine the career development of employees, whether they can assume certain positions vertically, horizontally, diagonally, or remain in their current position with additional tasks or specific projects according

to their future career projections. Career development and placement based on employee needs are prioritized from within the Company (promotion from within).

Through the HRD Committee process, employees also have the opportunity to express their career aspirations and development program needs. The HRD will then evaluate employees and determine whether they can take on certain positions, vertically, horizontally, diagonally, or remain in their current position with additional tasks or specific projects according to their career development forecast. Additionally, HRD may plan succession planning as a continuous step to support the sustainability of human resources in optimizing business continuity.

Safety Assurance Practices at AKR Subsidiaries

No.	Business Unit/ Subsidiary:	Customer Health and Safety Assurance Practices
1.	AKR (induk)	<ul style="list-style-type: none"> Establishing customer health and safety policies for all entities under AKR Processing handling, storage, shipping, and distribution Providing facilities and fleets that meet standards Providing competent manpower Providing product handling information through MSDS
2.	JTT	<ul style="list-style-type: none"> Customer product handling safety based on SOP (Standard Operating Procedures) Safety induction for customers Safety of customers or their representatives (Customer representatives, Drivers, Surveyors) Conducting safety inspections of equipment and properties owned by customers (trucks, ships) Specialized training
3.	BKMS	<ul style="list-style-type: none"> Receiving services tailored to industrial company needs, such as clean water, domestic waste management, and health facilities including the provision of clinics for first aid (P3K) Conducting regular checks and quality control on products, services, and service facilities provided to customers
4.	APR	<ul style="list-style-type: none"> Fueling up procedures Turning off vehicles Cell phone usage Installation of smoke detectors in toilets Stoppers in parking areas Bollards at dispensers and buildings Clear demarcations
5.	DPR	<ul style="list-style-type: none"> Customer safety includes accident prevention, such as operational DPR employees equipped with certified safety driving training from nationally and internationally recognized training institutions. Thus, when the operational team uses vehicles near customer facilities, the DPR team is aware of hazards and their mitigations. To ensure customer safety, the following are required: <ul style="list-style-type: none"> Readiness of DPR personnel Readiness of equipment and its certifications if to be used Appropriate Personal Protective Equipment (PPE) for the activities performed
6.	ARUKI	<ul style="list-style-type: none"> Product usage/application Providing adequate Material Safety Data Sheets (MSDS) and technical services

Policy on Training in Several Subsidiaries

No.	Subsidiary Policy on Training	Policy on Training
1.	BMS	Adjusted based on performance evaluations, as well as specific needs identified by the company to enhance the skills of employees, particularly those related to certification of expertise. The form of skill enhancement includes training conducted externally through training consultants or in-house training organized by PT Pelindo III or PT BJTI.
2.	BKMS	Certified training according to the standards of the National Professional Certification Agency (BNSP) for all employees operating machinery, equipment, and inspection teams requiring specific skill certifications relevant to their positions.

No.	Subsidiary Policy on Training	Policy on Training
3.	ARUKI	<ul style="list-style-type: none"> Internal Training - Emergency Response and Occupational Health and Safety (K3), Industrial Relations, Handling Chemicals External Training - Motivation/Team Building, Certification of Skills (Chemical Safety, Electrical Safety, B3 Driver)
4.	APR	<p>In house training :</p> <ul style="list-style-type: none"> Fire Suppression Ethic and Compliance HSSE Site Training' <p>External Training:</p> <ul style="list-style-type: none"> Technical Guidance and Competency Testing Program for Senior HSE Supervisors Level IV Oil and Gas Industry- HR Training Training of Trainer Certification Asessor Training Certification Hazardous Waste Management Supervisor (PPLB) Responsibility Water Pollution Control Officer (PPPA) Training
5.	DPR	<ul style="list-style-type: none"> All Employees: English Language Training, Microsoft Excel, Word & PowerPoint Operator: K3 Migas, Basic Fire Training, Defensive Driving Training, Ground Support Equipment License Training, Task Breakdown Operation Training, Task Breakdown Maintenance Training.
6.	JTT	<ul style="list-style-type: none"> Certification Legal Mandatory for OPS, MTC, & SHEQ (Overhead Crane, Mobile Crane, Rigger, Loading Master, PFSO, Penanggungjawab limbah B3, Operator Genset, AK3 Listrik, Operasional Limbah B3) Safety Mandatory (CSE, AGT, First Aid, CSR, Fire C) Workshop (iCare, Unconscious Bias) Soft skill (Media Training, Leadership Training) OLMS Operation : Global Module Operation Vopak, Local Module Maintenance: CMRP (Effective Maintenance Management and Reliability Practices), CMMS

Policy on Allowance Provision at AKR Subsidiaries JTT/BKMS/BMS/APR/DPR/ARUKI

Allowance	ARUKI		JTT		BKMS		DPR		APR		BMS	
	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees
Eid Allowance	√	√	√	√	√	√	√	√	√	√	√	√
Welfare Allowance	√	√	√	√	-	-	√	√	-	-	√	√
Leave Allowance	√	-	√	√	-	-	√	√	-	-	-	-
Income Tax Allowance	√	√	√	√	√	√	-	-	-	-	√	√
Transportation Allowance	√	√	√	√	√	√	√	√	√	√	√	√
Life Insurance	√	√	-	-	-	√	√	√	-	-	√	√
Meal Allowance	√	√	-	-	√	√	-	-	-	-	√	√
Healthcare Assistance	-	-	√	-	√	√	√	√	√	√	√	-

Allowance	ARUKI		JTT		BKMS		DPR		APR		BMS	
	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees	Permanent Employees	Contractual Employees
Annual Leave	-	-	-	-	√	√	-	-	-	-	-	-
Maternity Leave	√	-	√	-	√	√	√	√	√	√	√	√
Special Leave as per Government Regulations	-	-	-	-	√	√	-	-	-	-	-	-
Celebration Bonus	-	-	-	-	√	√	-	-	-	-	-	-
Compassionate Allowance	-	-	-	-	√	√	-	-	-	-	-	-
Health Insurance	-	-	-	-	√	√	-	-	-	-	-	-
Employee Social Security	-	-	-	-	√	√	-	-	-	-	-	-
Compensation Allowance	-	-	-	-	-	-	-	-	-	√	-	-
Social Security Outside Employment Relationship	-	-	-	-	-	-	-	-	√	-	-	-

Maternity/Paternity Leave Data 2023

Gender	AKR	APR	DPR	BKMS	BMS	JTT	ARUKI
Male	0	0	2	0	0	4	0
Female	10	4	0	0	1	0	0
Total	10	4	2	0	1	4	0

Performance Appraisal Process in Subsidiaries

No.	Subsidiary	Performance Appraisal
1.	BKMS	<ol style="list-style-type: none"> Each employee has received KPIs at the beginning of the current working year. KPIs are created by respective department heads at minimum and approved by the respective directors. KPIs of Department Heads/Division Heads/Managers responsible directly to the Board of Directors must be approved by the relevant Directors. Approved KPIs may be revised if deemed necessary by the Board of Directors. Position papers are created as needed. Performance evaluations are conducted at Mid-Year and End-Year. Performance evaluations are conducted by a Panel Team, consisting of the immediate supervisor, the supervisor's supervisor, and the Head of HR. Performance Evaluation results are communicated to the HR-People Development department and the respective Directors by the Division/Department Heads, no later than 1 (one) week after the evaluation. HR-People Development summarizes and verifies the performance evaluations of all employees to the respective Directors, no later than 2 (two) weeks after receiving the Performance Evaluation results.

No.	Subsidiary	Performance Appraisal
		<p>8. The final performance evaluation score based on KPIs is categorized into five categories:</p> <ul style="list-style-type: none"> • E (Unacceptable): Achievement < 80% of KPI target • D (Need Improvement): 80% ≤ Achievement < 95% of KPI target • C (Meet Expectations): 95% ≤ Achievement ≤ 105% of KPI target • B (Very Good): 105% < Achievement ≤ 125% of KPI target • A (Excellent): Achievement > 125% of KPI target <p>9. The final decision of the Performance Evaluation lies with the Board of Directors. Benchmark: KPI (Work Targets) 80%, Behavioral Competencies 20%, Additional Achievements 10%</p>
2.	BMS	<p>Performance evaluation process is conducted online, utilizing a top-to-bottom or single rater approach and is kept confidential. The benchmark is the Competency Dictionary, consisting of Core Competencies and Managerial Competencies.</p> <p>In Core Competencies, there are 6 Aspects: Achievement Orientation (ACH), Integrity (INT), Cooperation and Collaboration, Customer Service Orientation (CSO), and Communication (COM). Meanwhile, for Managerial Competencies, there are 5 aspects: Problem Solving (PS), Directiveness (DIR), Leadership (LDS), and Developing Others (DO).</p> <p>Each Competency aspect has six competency levels with behavioral indicator explanations at each level. This is used to map the competency level of each employee compared to the Job Competency Standards held by the respective employee.</p> <p>In addition to competency-based evaluation, performance will also be measured based on Key Performance Indicators (KPIs).</p>
3.	APR & DPR	<p>Every employee is required to conduct a self-assessment first before engaging in one-on-one discussions with their supervisor. The benchmarks are as follows:</p> <ul style="list-style-type: none"> • Achievement of Targets • Assessment of core company values • Strengths & Areas for Development
4.	JTT	<p>The performance evaluation process begins with self-assessment by each employee via MyPulse. The employee's supervisor also provides an assessment. After that, there is a calibration process by the Manager/Management Team, and the final results will then be provided to the employee.</p> <p>The benchmarks are as follows:</p> <ul style="list-style-type: none"> • Responsibility/Accountability • Key Behavior (care for safety, Integrity, Team Spirit, Agility, Commitment, People Growth) • Overall Rating (Excellent, Fully meets, Partially meets, Required Actions)

Policy, Process, and Career Development Opportunities

No	Business Unit	Career Development Policy
1.	AKR (Induk)	<ul style="list-style-type: none"> Those who perform well have the opportunity to advance their careers, either vertically (moving up in job level) or horizontally (expanding responsibilities, such as moving from a small branch to a larger one). The process is based on evaluations from Performance Appraisals, which assess the achievement of KPI targets. Everyone with good performance has equal opportunities for career development. Through the PDC process, employees have the chance to express their career expectations and aspirations, as well as the development programs they require. The PDC will determine whether employees assessed are suitable for specific positions, whether vertically, horizontally, diagonally, or staying in their current position with additional tasks or projects, according to their projected career path. The PDC can also establish succession planning as a continuous human resource strategy to support the sustainability of the business.
2.	BKMS	Career development and placement based on employee needs are prioritized internally within the company. If there are no suitable candidates internally, external candidates will be sought while adhering to the HR Department's SOP framework (Recruitment, Performance Management, Training, Rotation).
3.	BMS	If there are vacancies for structural levels, internal recruitment is prioritized first. Every employee has an equal opportunity to fill available positions as long as they meet the required qualifications according to the established selection process. If there are no suitable internal candidates, external recruitment will be conducted.
4.	APR	If there is a vacant position, APR typically prioritizes internal employees. There will be a series of stages and assessments to determine suitability and identify any necessary development programs. Only if there are no suitable internal candidates will external recruitment be pursued.
5.	JTT	Equal opportunities are provided based on performance and support towards organizational goals.

PENDIDIKAN

MENGGO CITA-

JAKARTA, 26 A



GAPAI -CITA

AUGUSTUS 2023



05

Our
Communities

www.akr.co.id |



☰ The key to AKR's sustainability is establishing good relations with the surrounding community, to walk, grow, and develop together.

SOCIAL RESPONSIBILITY & SUSTAINABLE COMMUNITY DEVELOPMENT

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.

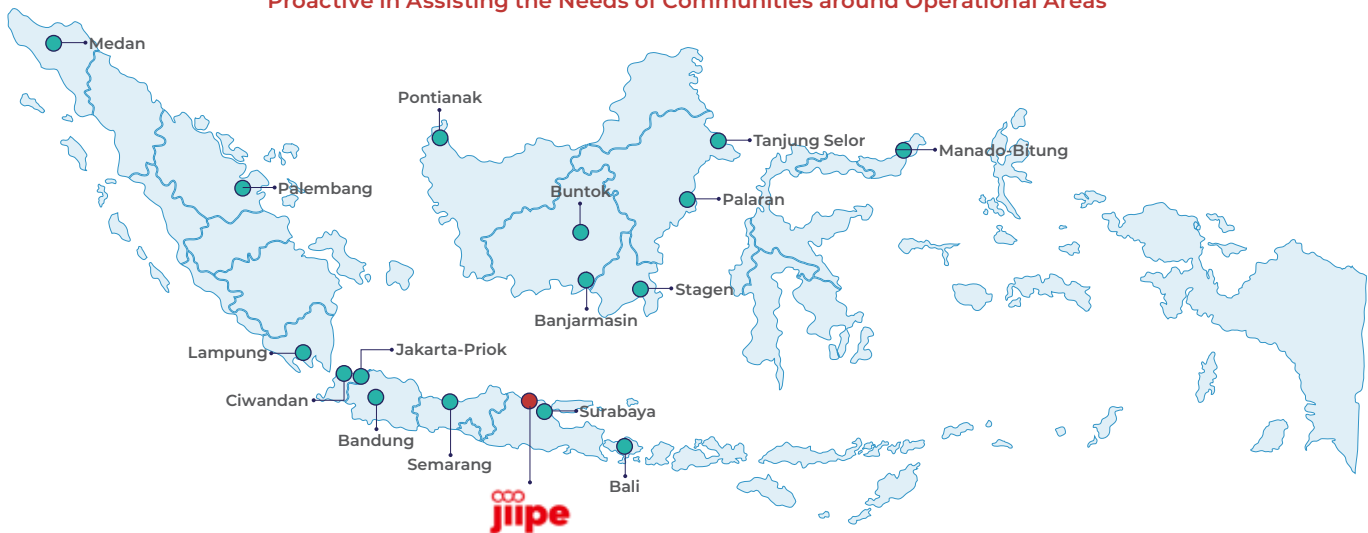
AKR is committed to continually providing tangible and widespread benefits to the surrounding community, in line with the values contained in the Sustainable Development Goals (SDGs). In daily practice, AKR has developed operational strategies that mitigate potential and actual social impacts on the surrounding community, and approaches and engages the community in determining Social Impact Assessments and designing community social programs.

[GRI 413-2]

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.

Proactive in Assisting the Needs of Communities around Operational Areas



Encouraging Multiplier Effect from Business Operations

[GRI 203-2]

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.

AKR Supports Government in "One Price Fuel" Program

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 one-price fuel policy is expected to bring about social justice and create a multiplier effect in developing communities, generating indirect economic impacts.

On March 14, 2024, AKR was entrusted as a partner in the distribution of subsidized energy for the fiscal year 2024. The distribution of subsidized energy carried out by the government through PT. AKR Corporindo Tbk. aims to

provide access to affordable, equitable, and justly priced energy to communities in all regions of the Indonesian archipelago, thus ensuring that the purchasing power of the people can be maintained.

AKR has been appointed one of the partners in distributing subsidized fuel since 2010. Together with the government, the Company improves supervision to ensure that the distribution of subsidized energy is carried out accurately and in the right volume. In this regard, the Company also develops IT systems at Motor Vehicle Fuel Filling Stations (SPBKB) and Fishermen's Fuel Filling Stations (SPBN), where subsidized energy distribution transactions can be monitored jointly by the government and AKR.

Accumulated Achievements until December 31, 2023

CUMULATIVE ACHIEVEMENTS

Investment

Rp71.5 trillion

Workforce

32,000 people

Business Players

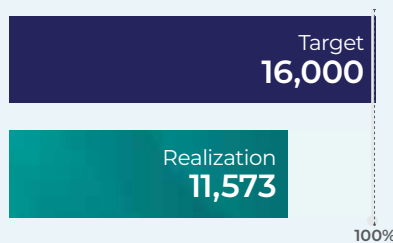
24 business players

ACHIEVEMENTS IN 2023

Investment



Workforce



MULTIPLIER EFFECT

- Increased regional and national economic growth.
- Increased direct and indirect employment.
- The presence of anchor tenants impacting the growth of downstream ecosystems.
- The existence of integrated industrial zones (Industrial Zones and Ports in one location) leading to significant reduction in logistic costs.
- Increased industry competitiveness on the global stage.

Investing in Industrial Development Facilities to Contribute to the Progress of the Indonesian Economy

[GRI 203-1]

AKR's desire to contribute to the development of competitive industries has driven the establishment of an integrated Industrial Zone and Port Area with the potential for large-scale job creation. Through its subsidiary, PT Usaha Era Pratama Nusantara, AKR, together with PELINDO through PT Berlian Jasa Terminal Indonesia, have established the Java Integrated and Industrial Port Estate (JIPE) project in Manyar District, Gresik, East Java, in line with the government's vision of advancing Indonesia by enhancing industrial competitiveness through the reduction of logistical costs.

Vice President Visits Java Integrated Industrial and Port Estate (JIPE) Special Economic Zone



In February 2023, Vice President Mr. Prof. Dr. (HC) K.H. Ma'ruf Amin visited the Strategic Project of the Special Economic Zone (SEZ) - Java Integrated Industrial and Port Estate (JIPE), developed by AKRA together with PELINDO. The Vice President inspected the progress of the JIPE Gresik Special Economic Zone as well as the copper smelter project being built in the area. He was accompanied by senior Government officials, President Director of the AKR Corporindo Tbk Group Mr. Haryanto Adikoesoemo, and President Director of PT Berkah Kawasan Manyar Sejahtera (BKMS) Mr. Bambang Soetiono. BKMS is the manager of JIPE.

During his visit, the Vice President appreciated the development of the JIPE Gresik SEZ in terms of investment and supporting infrastructure. The Vice President also explained that JIPE is a government program overseeing the downstreaming of smelters. He hoped that the JIPE Gresik SEZ could increase investment in the area.

Meanwhile, the President Director of AKR, Haryanto Adikoesoemo, revealed that the JIPE Gresik SEZ

integrates sea ports and has direct access to domestic and international markets that can support the Indonesian economy.

As of December 2023, the JIPE Gresik SEZ has accommodated 32,000 workers and is targeted for 199,918 direct workers by 2036. The JIPE Gresik SEZ project also provides benefits to the surrounding community, including:

1. Job creation through local companies providing cleaning labor services - PT UPERTAM III Manyar.
2. Job opportunities for local fishermen or their families within the Village Fishermen Cooperative in Mengare Kramat Village.
3. Training for fishermen or their families and improvement of facilities, especially within the Village Fishermen Cooperative in Mengare Kramat Village.
4. Sharing knowledge about industry developments with the surrounding community through regular socialization events called "Ngaji Melek Industri".
5. Developing nurseries and land conservation in collaboration with the surrounding community.

Creating Employment Opportunities & Local Recruitment

[GRI 202-2]

In upholding the principle of fairness, AKR provides equal opportunities for all Indonesians to become employees. Every individual who passes the selection process, regardless of their background, is given the opportunity to work and contribute in various positions or roles. The same applies to the communities surrounding operational areas (Ring-1), who can work and even hold important positions as long as they have the relevant skills.

AKR's need to achieve sustainability must be supported by experienced and competent human resources, including those from the surrounding communities. Therefore, AKR has taken the initiative to recruit employees from the local communities in an effort bring positive impacts to the region, the communities, and of course, to the sustainability of the Company.

The added value obtained from recruiting local communities includes:

1. Local Cultural Understanding

Employees from the local community have a better understanding of local culture, customs, and traditions. They can help the Company navigate the local business environment, build relationships with local stakeholders, and communicate effectively with local customers.

2. Cost Savings

Local recruitment can be more cost-effective than recruiting from outside the community. Transportation and accommodation costs during recruitment can be eliminated. Thus, recruitment costs and relocation expenses can be significantly reduced.

3. Good Retention

Employees from the local community are more likely to stay for the long term because they have strong ties to the community. Employee turnover rates will be low.

4. Increased Diversity and Inclusion

Local recruitment can help AKR create a more diverse and inclusive workforce, allowing the Company to have a better perspective and understanding of local wisdom, which can lead to increased innovation and creativity.

5. Positive Impact on the Local Economy

Local recruitment can have a positive impact on the local economy, creating job opportunities for individuals in the community, helping to reduce unemployment rates, and stimulate local economic growth.

Overall, local recruitment provides significant benefits for the Company, the community, and even at the individual level. Consequently, strong relationships are fostered with local stakeholders, enhancing cost efficiency, and creating a more diverse and inclusive workforce.

BP AKR Fuels Retail Opens Job Opportunities for Local Communities

Since 2015, AKR has established a partnership with British Petroleum (BP) through the formation of a subsidiary named PT Aneka Petroindo Raya or BP APR, developing fuel businesses in Indonesia. In its operations, BP AKR Fuels Retail is supported by employees from the surrounding communities of gas stations (SPBU).

The presence of these gas stations has created job opportunities for the local community. To date, the Company operates AKR and BP AKR gas station outlets in various locations across Indonesia, with all employees coming from the local community.

Employees from the Local Community

The presence of PT Berlian Manyar Sejahtera has brought positive impacts to the surrounding communities of its operational areas, creating job opportunities for local residents who are recruited to work in various fields that meet the Company's needs.

Testimony 1

Hasbi As Siddiqi

Corporate Secretary and Public Relations Staff

"I am proud to be part of PT Berlian Manyar Sejahtera, which has given me the opportunity to contribute to the development of the JIPE port in Gresik. With an inclusive approach, the Company empowers us, the local workforce, to take an active role in every stage of the work. I feel valued and have a real responsibility in providing service to customers using port services."

Testimony 2

Ari Kusworo

Operations Staff

"When I first joined PT Berlian Manyar Sejahtera, I found a positive and enthusiastic working atmosphere. The Company provides full support for skill development, including beneficial training sessions. As part of the operational team, I can actively engage in managing operational performance, giving me a sense of responsibility and confidence."

Testimony 3

Huda

Security

"I am very grateful to work at PT Berlian Manyar Sejahtera. As a security officer, I receive intensive training to ensure port security. The Company invests in port operations and cargo handling, allowing us to work efficiently and provide the best service."

84%

Karyawan AKR Holding adalah karyawan lokal

JIPE Equips Religious Students and Fishermen with Industrial Competencies

JIPE takes innovative steps by organizing English and Mandarin language training as well as industrial skills training for student workers, while also broadening horizons by including the local fishermen community in the training program. This initiative aims to strengthen their competencies to compete on the global stage, promote gender equality, and build effective communication and teamwork skills.

This activity reflects JIPE's commitment to enhancing human resource quality, supporting the local economy, and promoting community integration in the national industry. This program is designed to improve communication abilities in English and Mandarin, as well as strengthen technical and non-technical skills, such as discipline and teamwork, which are essential in the modern workforce.

Through collaboration with other industry players in the JIPE Special Economic Zone, this program aims not only to enhance the quality of human resources from the local community but also to open up broader job opportunities for students and fishermen. With a comprehensive and inclusive approach, JIPE strives to create an ecosystem that supports local economic growth and harmonious integration between the community and the national industry, ensuring that all parties benefit from sustainable industrial growth.

INVOLVING LOCAL SUPPLIERS

[GRI 204-1]

Suppliers are important to the pace of a business, with only good quality suppliers accepted by AKR. Currently, local suppliers have reached the quality standards set by AKR, which not only increases the Domestic Component Level (TKDN) ratio but also boosts the local economy. AKR's local suppliers are those domiciled around the operational areas. As part of AKR's sustainability commitment, the economic benefits of business activities are promoted through the involvement of local suppliers and the use of domestic products and services. AKR is committed

to achieving a minimum 30% Domestic Content Level (TKDN) for B35 products. In 2023, significant progress was shown, with all of AKR's operational areas for B35 products surpassing the 30% TKDN target, averaging over 40%.

This achievement not only strengthens AKR's position as a pioneer in sustainable initiatives but also marks a significant step in the journey towards further integrating sustainable business practices into stronger industrial integration with domestic potential.

43.31%

Average TKDN value of B35 products

Operational Impact on the Local Community

[SEOJK F.23] [SEOJK F.24] [GRI 413-1] [GRI 413-2]

AKR strives to create an environment free from air and noise pollution, safe from potential fire risks, and other potential hazards that may arise from operational activities.

To ensure there are no negative impacts on the surrounding community, AKR routinely and comprehensively conducts various stages of impact analysis. This analysis assesses

the impacts and risks that may occur from business activities. AKR also endeavors to supplement projects and operational activities with Environmental Impact Assessment (EIA) documents, which include social impact analysis.

AKR provides direct channels for the community to submit reports, feedback, and criticisms regarding operations. With these direct channels, the relationship between the community and AKR becomes closer and more positive. In 2023, there were no complaints received from the local community regarding operational activities.



Trees to Cool West Jakarta

In September 2023, AKR, along with several companies in West Jakarta, donated a number of trees to revitalize green spaces in Jakarta and tackle pollution issues. This tree planting initiative was initially proposed by the Mayor of West Jakarta, Mr. Uus Kuswanto.

He urged companies in West Jakarta to assist the government in addressing the city's pollution problem through tree planting. AKR donated 30 Ketapang Kencana trees, each measuring 3 meters in height, known for its ability to effectively absorb and process air pollution. It also thrives well and provides shade to the surrounding environment.

The tree planting took place on September 11, 2023, in Citra Lima, Kalideres and will continue in the coming months. It is hoped that this effort will help reduce Jakarta's worsening pollution.

Management of CSR Programs

[GRI 3-3]

Every year, AKR implements various programs and activities to enhance the welfare of the surrounding communities. In 2023, AKR continued Corporate Social Responsibility (CSR) activities based on the needs of the local community, ensuring their involvement from planning to implementation.

To identify community needs, AKR employs the Management by Walking Around strategy. With this approach, community needs are identified and prioritized, determining which needs must be addressed first. In the

process of identification and prioritization, AKR collaborates with the community. Thus, the CSR activities formulated and established can be implemented effectively and beneficially.

AKR needs to ensure that all CSR programs conducted bring positive impacts. Evaluations cover the entire process, from determining activities, implementation, and success rate, to the positive impacts felt by the community.

AKR's CSR Pillars

[SEOJK F.25]

AKR focuses its CSR programs on three pillars: education, health, and community development, and believes that through these pillars, communities thrive, and quality of life improves, allowing communities to remain productive.

In addition to these three pillars, several CSR programs take place, both planned and unplanned, in areas such as social and religious affairs, and the development of public facilities and infrastructure.



Education

Education serves as the primary factor for improving quality of life. However, not all areas have the same education standards. Many remote areas far from major cities have low levels of education. Therefore, AKR strives to improve quality for the surrounding community.

Especially for areas where the company operates, AKR provides scholarships for talented students from less fortunate families living near operational areas, collaborating with schools to identify and distribute scholarships. For children of employees who excel academically, ranking from first to fifth place, scholarships are awarded for one year.



Health

AKR believes that only healthy individuals can work and be productive, so has been committed to maintaining the health of its employees and the surrounding community. Even after the Covid-19 pandemic, AKR continues to uphold this pillar. From prevention through vaccination to treatment and rehabilitation. Throughout 2023, AKR conducted health checks for employees and provided various healthcare equipment to the community.



Community Development

Community programs and activities around operational areas show active participation in supporting the improvement of community welfare, serving as concrete evidence of AKR's efforts to make a positive contribution to society.

Implementation of Social Responsibility Programs

[SEOJK F.25] [GRI 413-2]

AKR ensures that programs undertaken have a positive impact on the surrounding community. Therefore, the three pillars of CSR - education, health, and community development - are the main reference points. Two-way communication with the community identifies needs, and involves the community in implementation, as AKR innovates new breakthroughs in its programs.

Throughout 2023, AKR continued several ongoing programs, established as part of its regular and sustainable initiatives. Moreover, the initiative was taken to implement innovative new programs, both planned and unplanned.

Below is a summary of some of the social community programs implemented in 2023.

EDUCATION

AKR believes that quality education can serve as a long-term foundation, supporting an individual's quality of life and well-being, making it crucial for sustainable development.

Scholarships for High-Achieving Children of Employees

AKR initiated its scholarship program in 2007, intended for the children of employees who have excelled in school. Now, after 16 years of operation, the scholarship recipients have grown and developed into talented individuals full of potential.

For example, Samuel, the child of Mrs. Melyati, has now succeeded in becoming a software designer. Meanwhile, Imeli Yuntiana, the child of Mr. Wijitro Janto Hidjatmoko, is currently completing her education to become an accountant. Lastly, Eric Nainggolan, the child of Mr. Henry Nainggolan, is striving to pursue his dream of becoming a doctor. All three have received scholarships from elementary school to high school and acknowledge that the scholarships they received greatly helped them on their journey to achieve their aspirations.

AKR offers the same opportunity to all employees to encourage their children and enroll them in the scholarship program. For 2023, the company is once again opening the opportunity to submit scholarship proposals for these high-achieving children. Additionally, AKR provides assistance to the orphaned children of AKR employees who have passed away.



AKR's Collaboration with UGM

On August 25, 2023, AKR signed a collaboration agreement with Gadjah Mada University (UGM), aimed at rejuvenating their Biopaleoanthropology Museum and the Anatomy Museum. These revitalized museums are in Sinduadi Village, Sleman, covering an area of 4,257.82 square meters.

The signing of this collaboration was done virtually by UGM's Vice Rector for Planning, Asset, and Information Systems, Dr. Arief Setiawan Budi Nugroho, and AKR's CEO, Haryanto Adikoesoemo, marking the 5th collaboration between AKR and UGM. Previously, AKR collaborated on providing a Data Center, medical tests for heart conditions, COVID-19 assistance funding, and cooperation with Taiwan in managing COVID-19 patients.

AKR believes that this collaboration will benefit UGM students, especially those from the Faculty of Medicine, Public Health, and Nursing (FKKMK), as well as the

Indonesian community. It is hoped that these museums will contribute to the tourism sector after the revitalization is completed. Additionally, this collaboration is expected to support the education sector, further solidifying UGM's position as one of the best universities in Asia.



Visit of the Singapore Management University (SMU) International Advisory Council



On October 8, 2023, AKR Headquarters received a visit from the Singapore Management University (SMU) International Advisory Council. The purpose of SMU's visit was to gain deeper insights into the company culture of AKR, which is recognized as having a strong workplace culture. The visit was warmly welcomed by AKR's CEO, Haryanto Adikoesoemo.

During the visit, AKR explained that innovations stem from its operational practices, which include regular meetings

to discuss current conditions and areas for improvement. AKR emphasized that significant innovations do not happen abruptly but rather emerge from a series of smaller innovations, with their global impact often becoming evident after some time.

The Company also recognizes the importance of succession planning to ensure the readiness of the next generation to lead the company in the future.

The Development of Early Childhood Education (PAUD) in the JIPE Area



Early childhood education plays a crucial role in human cognitive development. Therefore, PT BKMS has taken the initiative to develop the Al-Wildan Early Childhood Education Center (SPS/PG-TKI) to meet the educational needs in three villages located in the JIPE area, namely Manyarsidomukti Village, Manyarsidorukun Village, and Manyarejo Village. The construction of this educational facility was carried out by PT BKMS from March to November 2023 with a budget of Rp 703,850,000. Currently, this facility is not only used for teaching and learning activities but also for community events.

HEALTH

AKR reaffirms its commitment to supporting the advancement of the surrounding community through sustainable health programs, actively engaging in efforts to improve access to and delivery of healthcare services for communities around its operational areas. This program includes providing basic healthcare services, health

education, and disease prevention activities. AKR also plays a role in supporting local healthcare infrastructure and projects that strengthen the capacity of community healthcare systems. By focusing on health initiatives, the Company makes a positive impact on community welfare and supports sustainable development.

Contributions to Healthcare in Pontianak

AKR also provided assistance in the form of healthcare facilities and equipment to 12 Integrated Health Posts (Posyandu) in the city of Pontianak and Kuburaya Regency, West Kalimantan. The donations were handed over to the local integrated health posts in October 2023, where it is hoped that these facilities and equipment can support the health needs of the local residents.

In 2023, AKR donated notebooks to 17 schools in the city of Pontianak, Kuburaya Regency, Mempawah Regency, and Ketapang Regency, to assist these schools in improving the quality of education.



Blood Donation Event with AKR

The spirit of caring for others is continuously promoted among AKR employees. Therefore, AKR continues to encourage all eligible employees to donate their blood.



Blood donation activities were conducted by AKR in the Marunda area in January 2023, where eligible employees were encouraged to participate.



The blood donation drive at AKR Stagen coincided with Navy Day 2023. This humanitarian initiative was conducted jointly with the Navy and Pelindo, resulting in a significant number of donors.

Posyandu Assistance from JTT

The health of the community should be taken care of from infancy to old age, and JTT sees the need to support integrated health posts (Posyandu) to provide the best health services for the community.

The assistance provided by JTT includes providing formula milk and measuring tools for blood checks. The assistance is provided for three consecutive months.



Support for Pediatric Heart Patients



Empathizing with the difficulties experienced by families with children suffering from heart disease, the DPR (House of Representatives) has assisted in establishing a shelter for pediatric heart patients coming from outside Jakarta. Currently, 11 patient families are utilizing this shelter.

Located at Jalan Anggrek Neli Murni, Palmerah, Jakarta, this shelter is managed by parents of pediatric heart patients whose children have passed away. In practice, the management faces several challenges such as significant operational costs, the need for diapers, formula milk, sanitation, mattresses, and so on.

COMMUNITY DEVELOPMENT

AKR is committed to supporting the progress of community empowerment programs, participating in various initiatives aimed at improving the welfare and skills of the local community. Positive and sustainable impacts for the community are the goal, along with making them partners on the journey towards sustainable development.

AKR Partners with Climate Village



In the Climate Village initiative, AKR invites the local community to actively participate in managing plastic waste and mangrove forest preservation. Through support for Adiwiyata schools, AKR also promotes environmental education. This has been adopted in AKR Stagen and Banjarmasin locations, and has successfully received recognition from the Governor of South Kalimantan for transforming riverside villages into greener and more sustainable areas.

AKR Sacrificial Donations

In June 2023, AKR commemorated Eid al-Adha 1444 Hijri with local residents. The activity was welcomed with enthusiasm as it allowed everyone to participate and the meat was shared with the surrounding community.

On this occasion, AKR Lampung, AKR Stagen, AKR Pontianak, and AKR Banjarmasin donated cows and goats.



AKR Stagen



AKR Bandar Lampung



AKR Banjarmasin

The Construction of Buildings and Sports Arenas



JIIPE supports a healthy lifestyle and community togetherness, erecting the Sports Facility Building in Manyarsidorukun Village. This construction, costing Rp 2,075,000,000, provides the community with sports facilities including two badminton and futsal courts, as well as 12 stalls for local entrepreneurs to sell their food.

It is hoped that with the construction of the sports building and the MASKOT food center, it can contribute to the health of residents and the village economy.

Renovation of the Fishermen's Hall in Mengare Kramat Village

The village hall plays a crucial role for the local residents, serving as a venue for decision-making regarding the welfare of all village residents. Recognizing the importance of the village hall, PT BMS took the initiative to renovate the Fishermen's Hall in Mengare Village where community activities can be conducted effectively, and the decision-making process by the village residents can be optimized.



WeConnect: Waste Management Program at JTT

The WeConnect program by Jakarta Tank Terminal (JTT) has initiated circular economy activities by partnering with the Youth Organization (Karang Taruna) of RW 07, Kojja, North Jakarta. Twenty-five members of the youth organization were trained to recycle plastic waste.

The training consisted of five modules conducted before the arrival of the plastic shredder machine, so when the machine arrived, the youth organization members were ready to start the economic activities.

They were trained to sort and shred plastic waste. Additionally, they received training in financial administration for the plastic shredding business. With this training, it is hoped to stimulate further innovations to address waste issues in the community.



Community Development Fund Implementation

Rp**24.19** billion

Realization of CSR Program 2023

Through its CSR programs, AKR has allocated resources to various initiatives and diverse activities, such as education, health, local economic empowerment, and environmental initiatives. AKR ensures that funds not only provide direct benefits but also contribute to sustainable development and the welfare of the involved communities.

0.3%

The gross profit of AKR Trading is allocated for CSR purposes.

Throughout 2023, in addition to implementing new program initiatives, AKR routinely continued several CSR activities that have become regular programs. The total realization of AKR's CSR programs in 2023 amounted to Rp 24,197,277,383.00

Corporate Social Responsibility (CSR) Funds

Rp**24,197,277,383**

2023

Company AKR Holding CSR Fund

Rp**11,337,010,470**

2023

Rp**22,852,287,343**

2022

Rp**20,789,494,843**

2022

Rp**28,433,858,498**

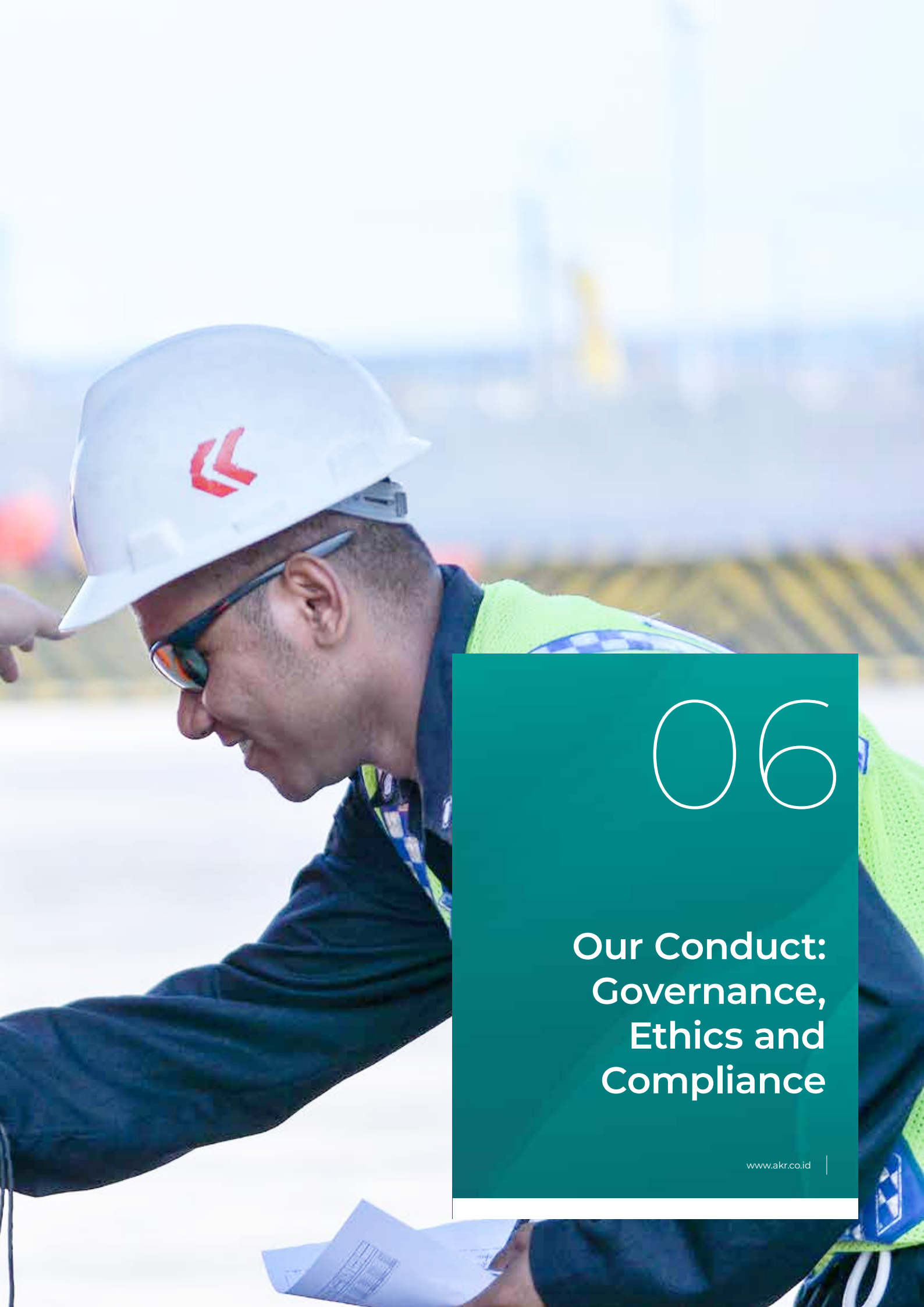
2021

Rp**27,581,498,498**

2021








06

Our Conduct: Governance, Ethics and Compliance

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 AKR regards Good Corporate Governance (GCG) as a primary pillar in creating business activities aligned with sustainable values. ensuring that management is based on the principles of ethical behavior, accountability, transparency, and sustainability.

STRUCTURE AND COMPOSITION OF CORPORATE GOVERNANCE

[GRI 2-9]

AKR manages corporate governance to ensure that all operational activities are conducted responsibly, with integrity, achieve sustainable business activities, and provide broad benefits, and adopts Law Number 40 of 2007 concerning Limited Liability Companies as a reference for the application of Good Corporate Governance (GCG) principles.

In its implementation, AKR's governance structure consists of main organs, namely the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors. To assist in carrying out their duties, the

Board of Commissioners and the Board of Directors have supporting organs, where each plays an important role in the application of GCG. Each organ has a responsibility to carry out its functions and duties in the interests of the Company and stakeholders. Through the application of principles of transparency, accountability, responsibility, independence, and fairness, the Company's performance towards sustainability can be strengthened an improved.

Detailed information about AKR's governance structure and Company organs can be found in the 2023 Annual Report in the Corporate Governance section.

Selection and Nomination Process of the Governance Body

[GRI 2-10]

AKR implements the principle of equality in the corporate governance mechanism to regulate each organ to act according to their respective functions and roles. In the selection and nomination process, the General Meeting of Shareholders (GMS) has full authority to appoint and dismiss the Board of Directors and the Board of Commissioners, while controlling shareholders can propose names to be appointed as members of the Board of Commissioners and the Board of Directors. Subsequently, the Nomination and Remuneration Committee (NRC), which is under the Board of Commissioners, discusses the profiles and qualifications of candidates. The NRC's recommendations are presented

to the Board of Commissioners for decision at the GMS with selected candidates appointed with the approval of the GMS. The Board of Commissioners and the Board of Directors are appointed based on their qualifications, in accordance with the requirements of POJK Number 33/POJK.04/2014 regarding the Directors and Board of Commissioners of Issuers or Public Companies.

AKR also has stringent mechanisms to prevent conflicts of interest, one of which is by prohibiting any affiliation between members of the Board of Directors, the Board of Commissioners, and controlling shareholders.

Chairman of the Highest Governance Body

[GRI 2-11]

In accordance with Law Number 40 of 2007 concerning Limited Liability Companies, AKR's governance structure consists of:

- **General Meeting of Shareholders (GMS)**

The GMS is the highest governance body where shareholders can exercise rights and authority over the management of the Company.

- **Board of Commissioners**

The Board of Commissioners is responsible for supervising the Board of Directors in managing the Company and is supported by two Committees, namely the Audit Committee and the Nomination and Remuneration Committee.

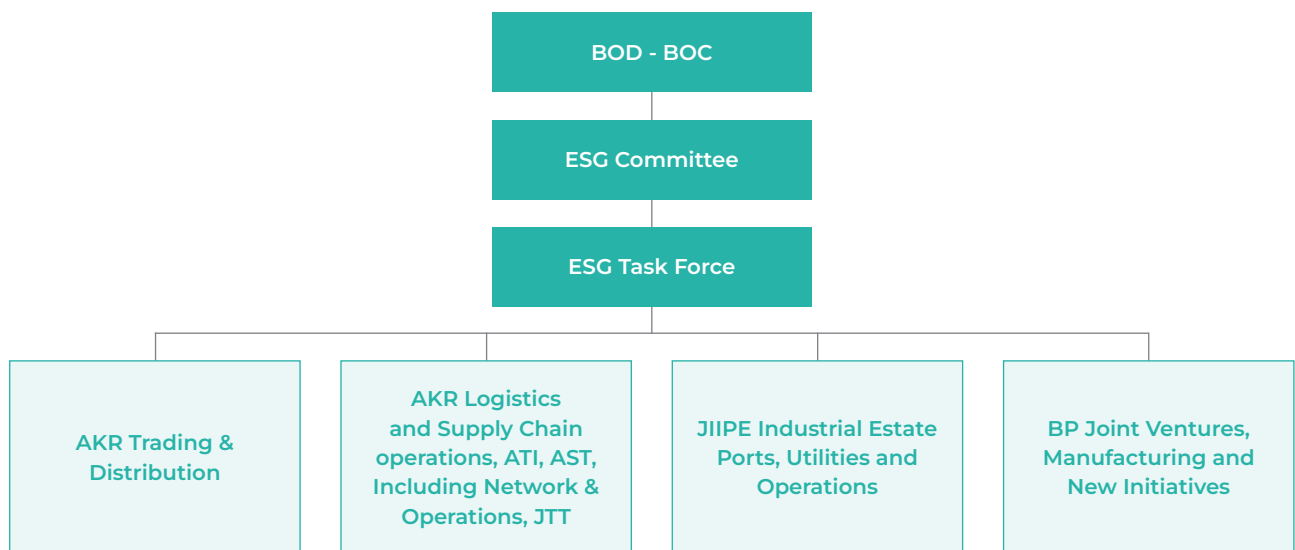
- **Board of Directors**

The Board of Directors is responsible for managing the Company, assisted by the Internal Audit Unit, the Corporate Secretary, and Investor Relations.

The Board of Directors serves as the executive board, while the Board of Commissioners acts as the supervisory body responsible for overseeing the performance of the Board of Directors, led respectively by the Chairman of the Board of Commissioners, a non-executive position, and the President Director, who serves in an executive role.

AKR ESG Committee

As evidence of the Company's commitment to sustainability, AKR has established an ESG (Environmental, Social, and Governance) Committee, responsible for determining strategies, providing recommendations, coordinating, reporting, and monitoring the Company's ESG initiatives. The ESG Committee is led by and reports directly to the President Director. [SEOJK E.1]



AKR's ESG Committee in Sustainability Management

[GRI 2-12][SEOJK E.1]

The AKR ESG Committee plays a role in implementing sustainability, which encompasses economic, environmental, and social aspects. This committee provides guidance and oversight on sustainability that aligns with AKR's goals, values, mission, policies, strategies, and sustainability targets.

Related divisions are responsible for executing the established sustainability goals, values, Vision, Mission, policies, strategies, and targets. Directors in each division lead and oversee the implementation of sustainability policies. Meanwhile, the ESG Committee regularly holds meetings with the respective division heads to assess sustainability performance.

Delegation of Authority to AKR's ESG Committee

[GRI 2-13]

With the authority delegated, the AKR ESG Committee ensures that sustainability values and performance are optimized in every business unit. The ESG Committee directly oversees the ESG Task Force consisting of Senior Employees in each division. In carrying out its duties, the AKR ESG Committee has the following authorities:

1. Accessing data, documents, and other information needed in the implementation of the Sustainable Action Plan.
2. Direct communication with employees including Directors and ESG task force regarding its duties and responsibilities.
3. With the approval of the Board of Commissioners, involving independent parties outside the ESG Committee members, if needed, to assist in the execution of its duties.
4. Carrying out other authorities granted by the Board of Commissioners.

The detailed tasks and responsibilities of AKR's ESG Committee are as follows:

1. Reviewing business processes and identifying as well as managing AKR's operational impacts on the environment, social aspects, and governance.
2. Observing and scrutinizing regulations and developments in Indonesian and international sustainability standards, determining relevant materials for AKR, and providing recommendations to the ESG task force to formulate strategies, policies, targets, and sustainability guidelines.
3. Periodically reviewing AKR's sustainability strategies, policies, targets, and guidelines.
4. Regularly assessing the performance of AKR's Sustainability Commitments.
5. Evaluating the effectiveness of communication in disseminating AKR's sustainability policies to internal and external stakeholders.
6. Participating in the development of public policies related to climate change and environmental impacts.

The Corporate Secretary Remains Active in Ensuring the Integration of Sustainability Principles within AKR and for the Board of Directors and Board of Commissioners

[GRI 2-13]

The Company's Corporate Secretary plays an active and central role in ensuring that the ESG Committee and ESG Task Force remain updated with the latest developments. In 2023, the Corporate Secretary team took the initiative to carry out several key activities, including:

- Reporting and coordinating with regulators, including the Indonesia Stock Exchange (IDX), the Financial Services Authority (OJK), and other relevant regulators.
- Providing updates on new developments in ESG standards, including disseminating the latest regulations to the Board of Directors, Board of Commissioners, and Committees under the Board of Commissioners.
- Assisting the Board of Directors and Board of Commissioners in establishing the ESG Committee and formulating the ESG roadmap and framework, as well as setting AKR's sustainability strategy and pillars.
- Organizing workshops related to ESG and sustainability.
- Conducting materiality assessments and prioritized topics.
- Facilitating AKR's initiatives in renewable energy.
- Coordinating the implementation of CSR programs.
- Maintaining good relations between stakeholders, the Corporate Secretary and Capital Market community.
- Introducing and providing information about the Company's strategic investments to stakeholders at various events, including GMS, investor roadshows, media, the Company's website, and social media.

During 2023, the ESG Committee held 2 (two) meetings, fulfilling its duties and responsibilities, including:

- Establishing the Company's ESG Strategy and formulating targets;
- Directing the development of necessary ESG Policies;
- Directing the ESG program for 2023; and
- Directing the development of a new Code of Ethics and its socialization.

Sustainability Competency Development

[GRI 2-17][SEOJK E.2]

AKR enhances the knowledge and competency of board members in sustainability through various training programs, such as short courses, workshops, seminars, and involvement in sustainability projects. The Company also provides reporting guidelines and updates on sustainability topics.

In 2023, workshops related to sustainability and PROPER (Environmental Performance Rating Program) were conducted to increase environmental awareness and

sustainable practices, from top management level to operators and frontliners in the field. The workshop and training topics included:

- Energy Conservation
- Exploration of New Environmentally Friendly Energy Sources
- Environmental Protection and Preservation

Special training for the Board of Directors on sustainability, conducted throughout 2023, included:

No.	Title of Training	Organizer	Training Date	Training Venue
Suresh Vembu				
1	ESG Strategy and Rating	19 January 2023	Zoom	Bursa Efek Indonesia & PwC Indonesia
2	IFRS S1 & S2	22 December 2023	Jakarta	IAI & Bursa Efek Indonesia

No.	Title of Training	Organizer	Training Date	Training Venue
Suresh Vembu				
1	Sharing ESG MUFG SG w/ AKR	6 March 2023	Jakarta	Bank MUFG

Performance Evaluation of the Governance Body

[GRI 2-18]

The AKR remuneration policy incentivizes and rewards the performance of the Board of Commissioners and the Board of Directors for financial aspects and long-term and sustainable achievements. Through the Annual General Meeting of Shareholders (AGM), AKR evaluates performance based on the application of Good Corporate Governance (GCG) principles and follow-ups from previous evaluation recommendations.

Additionally, the Board of Commissioners and the Board of Directors are responsible for achieving Key Performance Indicators (KPIs) specifically related to the Company's strategy and implementation plans, including sustainability targets. Non-financial aspects such as operational performance, environmental, social, and

compliance with governance principles are integral parts of determining remuneration, reflected in the promotion of social and environmental responsibility, as well as GCG as a crucial pillar of long-term success.

The CEO evaluates the annual performance of the Directors, while the Nomination and Remuneration Committee (NRC) is responsible for evaluating the annual performance of the CEO. The results of these evaluations not only focus on financial achievements but also consider performance in environmental, social, and governance aspects, serving as a basis for determining Director remuneration and providing guidance for improvements based on self-assessment results.

TRANSPARENCY AND ACCOUNTABILITY

Transparency and accountability are key to AKR achieving progress and sustainability, thus achieving the goal of becoming a trusted and sustainable energy company.

Commitment to transparency is consistently implemented through openness in decision-making processes and disclosing relevant information about the Company. The commitment to accountability is carried out through clarity in the functions, implementation, and accountability of the organs, ensuring effective management of the Company.

AKR's commitment to transparency and accountability, especially regarding the Company's sustainability performance, is demonstrated through achievements and recognition by external parties, including:

- Transparency: Calculation of Corporate Emissions 2023 Platinum Category from BGK Foundation
- Indonesia Excellence GCG Awards 2023 - AKRA Managing a High Level of Company Performance in GCG Ethics, from Warta Ekonomi
- Top 50 Big Capitalization Public Listed Company 2023 from IICD
- Indonesia Top 20 GCG Awards 2023 in Trading & Distribution from The Economics

The Role of the Governance Body in Preparing Sustainability Reports

[GRI 2-14]

The governance body is crucial to the process of preparing sustainability reports, where the Board of Directors is responsible for leading, managing, and directing operational activities. Under the leadership of the President Director, the Board of Directors works to ensure the realization of the sustainability Vision and Mission, which includes environmental, social, economic aspects, and the application of good governance principles.

Oversight responsibility is given to the Board of Commissioners supported by two Committees, namely the Audit Committee and the Nomination and Remuneration Committee, chaired by one of the Commissioners. The Audit Committee assists the Board of Commissioners in promoting the implementation of good governance, adequate internal control structures, the improvement

of transparency quality including financial reporting, and assisting in reviewing the independence and objectivity of public accountants. The Nomination and Remuneration Committee (NRC) is chaired by an Independent Commissioner who has no affiliation with the Board of Commissioners, the Board of Directors, and major shareholders of the Company.

The AKR ESG Committee together with the Board of Directors is also actively involved in the preparation of this Sustainability Report, ranging from organizing workshops with representatives from all business lines, approving material topics for this report, preparing the AKR Sustainability House including action areas, and formulating the Company's Net Zero Emission 2060 commitments.

To Achieve Responsible Business, AKR Enhances GCG Quality Through CoC and HSE Policies Socialization

AKR is committed to practicing Good Corporate Governance and emphasizing governance principles. To fulfil this commitment, AKR undertook several initiatives in 2023, including:

Socialization of Code of Conduct (CoC)

The Code of Conduct has been updated, in line with the latest standards, and socialized to all employees. The Code of Conduct serves as a guideline for employees to carry out their duties and functions based on values of integrity, professionalism, and compliance with regulations, and socialization emphasizes the role of stakeholders in monitoring violations through the whistleblowing system.

Human Rights and Environmental Policy

In 2023, AKR established Human Rights and Environmental Policies to align with sustainability values, representing AKR's commitment to both in its business operations. The Human Rights Policy can be accessed on the Company's website at <https://www.akr.co.id/esg/esg-overview/human-rights-policy>, while the HSSE Policy is available at the link <https://www.akr.co.id/esg/esg-overview/hsse-policy>.

Remuneration Policy

[GRI 2-19]

Members of the Board of Commissioners are entitled to receive monthly honorariums, while members of the Board of Directors receive compensation consisting of basic salary, performance bonuses, facilities, allowances, and management stock options. All Commissioners and Directors are also covered by insurance.

Determination of Remuneration Process

[GRI 2-20]

The process includes strict stages, established by the shareholders in the Annual General Meeting (AGM) and based on recommendations from the Nomination and Remuneration Committee (NRC). The NRC considers assessment results in providing recommendations for the Directors. In this regard, the Company does not engage external consultants.

Total Annual Compensation Ratio

[GRI 2-21]

Due to data confidentiality reasons, AKR cannot disclose detailed ratios of annual compensation of individuals with the highest pay compared to the total average annual compensation for all employees, as well as the percentage increase in the annual compensation ratio, in this Sustainability Report. Information on the total remuneration received by the Board of Directors and the Board of Commissioners of the Company for 2023 can be found in the Company's Annual Report in the Corporate Governance section.

Whistleblowing Mechanism

[GRI 2-26][GRI 2-16]

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.

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.

To strengthen the whistleblowing disclosure mechanism, AKR implemented the following initiatives in 2023:

- Regularly socializing the whistleblowing system facility, especially when updating ethical and behavioral guidelines.
- Increasing awareness of ethical behavior to prevent violations.
- Reducing the risk of violations through early detection mechanisms.
- Enhancing the Company's reputation in the eyes of shareholders, stakeholders, regulators, and the public.

As of 2023, the reporting channels owned by the Company include:

[GRI 2-26]



Website/Online Form-Based Reporting System

<https://wbs.akr.co.id>



E-mail addressed to

lapor.haryanto.adikoesoemo@akr.co.id



WhatsApp Number

+62 811-1321-911

AKR strives to optimize the reporting process of critical matters, including those related to economic, social, and environmental aspects, so that they can be addressed and followed up effectively.

In making reports, whistleblowers are required to provide initial, factual indications regarding the reported fraud or violations, accompanied by supporting data (if any), including:

WHAT	WHO	WHEN	WHERE	HOW
Actions/Incidents Reported	Involved Parties	Time of Occurrence	Place/Location of Occurrence	How It Happened

Whistleblowers also have the right to protection to ensure their safety, which includes:

1. Assurance of confidentiality of identity and the content of the report submitted, except at the request of law enforcement,
2. Assurance of protection against detrimental treatment, such as:
 - a. Unfair dismissal;
 - b. Demotion or reduction in rank;
 - c. Harassment or discrimination in any form.
3. No detrimental records in the personal file record.
4. Assurance of protection from possible threats, intimidation, punishment (criminal or civil), or other actions from the accused party.
5. Protection for whistleblowers also applies to parties conducting investigations or providing information related to the complaint.
6. If receiving retaliation in the form of pressure, threats, or other retaliatory actions, whistleblowers can report to the President Director. In case the reported issue cannot be resolved internally, whistleblowers are guaranteed the right to bring the report to an independent institution outside the Company.

At the end of 2023, no material reports had been recorded by the Company's whistleblowing system.

RISK MANAGEMENT

[SEOJK E.3][GRI 2-23]

AKR prioritizes prudence and risk management to anticipate various challenges, such as economic dynamics, business climate, and increasingly complex competition. Therefore, a business philosophy emphasizing the importance of risk awareness and structured, planned risk management has been implemented in various operational activities.

Risk management is an integral part of the business plan, allocated separate funding sources. AKR is continuously developing a range of risk management procedures and methodologies to identify, analyze, evaluate, and mitigate risks, thus providing assurance and peace of mind to stakeholders.

In accordance with the ASEAN Corporate Governance Scorecard (ACGS) framework, AKR continues to strengthen the integration of sustainability with corporate governance and strategic planning. AKR understands the importance of sustainability in driving long-term business success and

resilience, understanding that sustainable growth cannot be separated from responsible financial planning and risk management, which includes a sharp focus on reducing environmental impacts, enhancing social contributions, and adhering to the highest governance standards.

In line with this understanding, the Board of Directors conducts an annual review of the Company's capital structure and debt, carefully examining their alignment with strategic objectives and risks, including sustainability-related risks and climate change challenges.

This review process is part of a broader and comprehensive risk management framework that not only focuses on financial health but also incorporates environmental, social, and governance (ESG) considerations.

This approach ensures that capital allocation strategies and debt management are designed not only to optimize financial performance and value for shareholders but also to make positive contributions to communities, the environment, and stakeholders.

Risk Management and Internal Control System

[GRI 2-24]

AKR employs a top-down and bottom-up approach in risk management. In the top-down approach, the Board of Directors evaluates overall key risks, while in the bottom-up approach, Department/Branch/Subsidiary Leaders assess specific risks in each unit/business.

To strengthen accountability, risk management is then conducted collectively and coordinated with the Enterprise Risk Management (ERM) Department at Head Office. The ERM Department is responsible for managing business risks identified by AKR.

The roles and responsibilities of the ERM Department are:
[GRI 2-24]

1. Develop and propose risk management concepts and frameworks, risk appetite, risk philosophy, risk tolerance, and risk management structures to the President Director in line with the Company's vision and mission.
2. Implement and communicate risk management policies & procedures continuously and consistently.
3. Ensure that all significant/key risks are identified, measured, and mitigated appropriately.
4. Submit priority risks requiring immediate attention from Management, based on the existing risk profile and considering the impact and likelihood of the risks after assessing the effectiveness of existing internal controls.
5. Ensure and continuously monitor the implementation of established risk mitigation plans according to the set timelines.
6. Review and provide input to Branch/Division/Department/Subsidiary leaders regarding risk mitigation plans, including addressing current issues arising during the implementation process of established mitigation plans.
7. Validate and verify (especially key risks) existing risk controls and the progress of risk mitigation plans/action plans through direct visits to branches, divisions, departments, and subsidiaries.
8. Conduct ongoing campaigns to develop a culture of care, ownership, and risk awareness by emphasizing that risk is the responsibility of all individuals at AKR.
9. Prepare and report Consolidated Risk Management Reports to the President Director and relevant Directors periodically.

The risks faced by the Company and its risk management efforts are as follows:

1. Country Risk

The macroeconomic conditions of Indonesia, political situation, and government regulations affecting the Company and other businesses operating in Indonesia.

a. Economic and Geopolitical Risks

Economic and geopolitical risks remained a major concern in 2023, such as potential tensions between countries and changes in global economic dynamics which could impact the Company. Careful implementation of risk mitigation is needed to anticipate potential impacts. Additionally, conditions

such as inflation rates, Gross Domestic Product (GDP) growth, taxation, and various developments in Indonesian politics and economics are also risk factors that need attention.

b. Government Policy Change Risks

The risk of government policy changes can both hinder and open opportunities for domestic business activities. Policy changes in taxation, currency controls, interest rates, import-export restrictions, subsidized fuel formulation, labor regulations, licensing, and investments can impact performance. Most fuel products and certain basic chemical products traded and distributed by the Company are imported from abroad. If there are policy changes, import bans, import quota restrictions, customs regulations, or import tariffs, performance could be affected. The allocation of subsidized fuel distribution contracts in the following years, in addition to being based on government tender processes and the continuity of deregulation policies, also depends on the Company's ability to meet various criteria.

2. Industry Risk

Supply and demand from industries where the Company operates affect AKR's performance. Trading and distribution segments are influenced by demand for basic chemicals and fuel, which depends on national and regional economic conditions in Indonesia. A risk of dependence on demand has led to the Company providing logistics services and distribution infrastructure to third parties in Indonesia. Economic slowdowns in Indonesia and globally can affect international trade, which subsequently causes a decrease in shipping activities and demand for logistics services. In addition to risks related to supply and demand levels, the Company faces competition risks from companies engaged in similar activities. To anticipate this, the Company continues to improve its logistics infrastructure in distributing energy and industrial raw materials, maintains good relationships with suppliers, and improves service quality to customers.

3. Operational Risk

Operational risks arise when there is a failure to meet standard operating procedures, employee management failures, system disruptions, and external factors or events such as weather changes, natural disasters, and supply chain disruptions. As these risks are related to the Company's daily operations, standard operational procedures are continually updated and improved to align with business demands and technology. The Company has also built backup technology and operational systems in case main systems fail. A centralized IT system supports monitoring in product storage and distribution and employees responsible for these systems receive regular training to enhance their skills and vigilance. To ensure that operational risk management runs smoothly and sustainably, the

Company applies the Three Lines of Defence, namely (a) business units managing daily operational risks as preventive control, (b) risk management as detection control, and (c) quality assurance as corrective control.

4. Safety, Health, and Environment (SHE) Risks

The Company may encounter Safety, Health, and Environment (SHE) risks, given its operational sectors. These include fires, product spills, mishandling of waste, malfunctioning equipment, system failures, and so forth. SHE risks not only affect the Company but also impact the communities around its operational areas. To avoid these hazardous risks, the Company implements strict and detailed regulations regarding workplace safety and provides training for employees to manage unforeseen circumstances. SHE procedures are continually updated according to government and organizational regulations, and certifications in specific areas.

5. Financial Risks

The main financial risks are credit risk, market risk (including interest rate risk, foreign exchange risk, commodity price risk), and liquidity risk. Regarding credit risk, the Company applies strict monitoring in extending credit to customers. For the risks of commodity price fluctuations and foreign exchange rates, the Company implements a stable business model with price-based formulas and manages forex risk through hedging. The Company's financial risk

management is detailed in the audited consolidated financial statements by the public accounting firm Purwantono, Sungkoro & Surja (a member firm of Ernst & Young).

6. Pandemic Risk

The pandemic risk (COVID-19) still needs to be managed globally and domestically. This risk potentially affects the management of other risks (country, industry, operational, SHE, and financial risks). Therefore, the Company continues to implement risk mitigation measures conducted in previous periods while adapting to the existing conditions (pandemic trends). Measures implemented include the establishment of a task force to monitor and routinely conduct campaigns/socialization to all employees regarding the dangers of COVID-19 and the implementation of the 5M protocol (wearing masks, washing hands, maintaining distance, reducing travel, and boosting immunity), the implementation of booster vaccinations for employees, and regular antigen swab tests.

Additionally, AKR has established an Internal Control System to ensure that operational activities are conducted in accordance with the highest professional standards applicable in the business world, especially in the industries run by AKR. This internal control process is designed, implemented, and monitored by the Board of Commissioners and Directors, and involves the active role of all Company employees.

AKR's Authorised Economic Operator (AEO) Certification

As a commitment to conducting corporate governance management in line with sustainability values, AKR has successfully obtained the Authorised Economic Operator (AEO) certification. AEO is a program established by the World Customs Organization (WCO), and the certificate is issued by the Directorate General of Customs and Excise.

AEO was established to ensure the security of the supply chain by parties involved in the international movement of goods, thereby qualifying for specific customs treatment by the relevant countries. AEO also helps reduce the risks of international trade and addresses the increasing volume. This certification is crucial for companies aiming to export to other countries, to enhance the speed and security of both import and export supply chains.

Training Refreshment HOTT

Safety and operational excellence are top priorities for AKR in every business activity. To ensure this is achieved, the Head of Tank Terminal (HoTT) routinely attends refreshment training focused on risk management in every process at the Tank Terminal.

Risks are discussed from both financial and SHE (Safety, Health, and Environment) perspectives. Furthermore, mitigation steps are also discussed, as well as emergency response if these risks occur. The refreshment training is conducted by Mahdi, Head of Tank Terminal and Warehouse HO. This training aims to increase awareness and understanding among the HOTT members about the importance of controlling and monitoring work processes at the Terminal, in order to minimize risks and achieve operational excellence.

AKR's Internal Control System refers to the internationally recognized framework known as the Committee of Sponsoring Organizations of the Treadway Commission (COSO). COSO defines an internal control system as a process involving the Board of Commissioners, Directors, and other personnel. This aligns with AKR's Internal Control System, which continuously builds organizational control by involving all employees.

The Internal Control System provides adequate assurance regarding the achievement of the following three objectives:

1. Effectiveness and efficiency of operations
2. Reliability of financial reporting
3. Compliance with applicable laws and regulations

AKR views internal control as a series of actions encompassing all business processes and part of the basic management process, which includes planning, implementation, and monitoring. Components include:

1. Control environment, which includes the integrity, ethical values, and competencies of individuals and

entities, management philosophy and operating style, the provision of authority and responsibility, and organization and development of the business in line with management directives.

2. Risk assessment aims to identify, analyze, and manage risks associated with various business activities.
3. Control activities determine policies and procedures established by management to help ensure business objectives are achieved.
4. Information and communication enable individuals or entities to obtain and exchange the necessary information to conduct, manage, and control operations.
5. Monitoring aims to assess the quality of the company's performance. This occurs through continuous monitoring activities, separate evaluations, or a combination of both.

For more detailed information about AKR's Risk Management and Internal Control System, please refer to the 2023 Annual Report in the Corporate Governance section.

Risk Management Evaluation

[GRI 2-26]

AKR implements a comprehensive and integrated risk management framework which aims to provide early information about potential risks that may affect the Company, allowing adequate steps to be taken to minimize risks.

Risk management has positively contributed to the planning process, decision-making, and strengthening of Good Corporate Governance (GCG). The applied risk management system can minimize and/or reducing the impact and likelihood of risks, evident from the effectiveness of the quality, quantity, and timeliness of completing the risk mitigation plan. AKR's risk management system

enables strategic and informative decisions to be made regarding operations and subsidiaries.

To enhance risk awareness culture, AKR conducted a series of activities throughout 2023, such as:

- Re-socialization/refreshment regarding risk management and its practices to all company employees,
- Conducting risk campaigns using screen saver and lock screen media, newsletter media, and
- Implementation of surveys at the end of the year to assess the risk owners' understanding regarding the risk management campaigns conducted.

Financial Implications and other Risks Due to Climate Change

[GRI 201-2]

Climate change is one of the biggest challenges faced by the global community and it can significantly impact various aspects of life, including business activities. Understanding this, AKR adopts sustainable and responsive strategies to climate change to reduce financial risks and ensure long-term sustainability.

Currently, AKR is conducting a risk and opportunity inventory of climate change on its respective business activities. The risk and opportunity maps will then become one of the management bases in determining policy direction, including AKR's expansion strategy and business portfolio diversification in the future.

AKR's business resilience has been proven over time, from the initial steps 64 years ago in the logistic and supply chain field, to a diversified business with core competence in the supply chain of chemicals and fuel for B2B and retail, to its current active role in championing manufacturers in Indonesia through the JIPE Special Economic Zone (SEZ).

In 2022, through the decision of the ESG Committee, AKR committed to achieving net zero emissions (NZE), in line with the Indonesian government, by 2060. This long-term goal will be one of the ESG Committee's future work focuses as part of one of the Action Areas in the AKR Sustainability House to conduct business and operational reviews, and to establish roadmaps with measurable targets so that AKR can achieve NZE by 2060.

BUSINESS ETHICS AND COMPLIANCE

[GRI 2-27]

Business ethics and compliance form a solid foundation for the company in achieving GCG and ensuring the long-term sustainability of business activities. Implementation of business ethics and compliance is a key pillar to support accountability to the environment, society, and other stakeholders. AKR instils these principles in all operational activities.

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. Periodically, various activities emphasize the application of the code for employees, as violations may result in warnings and termination of employment.

AKR ensures that its actions comply with applicable laws and regulations, including environmental, social, economic, product, customer protection, human rights, labor, anti-corruption and bribery, taxation, and other relevant areas. To ensure this, AKR conducts Legal Due Diligence in accordance with the ASEAN Corporate Governance Scorecard (ACGS).

As of the end of the reporting year, there were no monetary or non-monetary sanctions related to the company's non-compliance with applicable laws and regulations.

Sustainable Procurement Policy

In 2023, AKR implemented a Sustainable Procurement Policy, designed to regulate procurement, and integrate sustainability principles into all stages of the procurement process. This includes supplier selection, risk assessment, and performance monitoring. With this policy in place, AKR manages every step in its supply chain, considering environmental, social, and economic aspects, and promotes responsible and sustainable business practices. This policy can be viewed on the Company's website at <https://www.akr.co.id/esg/esg-overview/sustainable-procurement-policy>

Conflict of Interest

[GRI 2-15]

Conflict of interest is a challenge in implementing GCG. AKR understands the risk of conflicts of interest and is committed to complying with the Financial Services Authority Regulation No. POJK.04/2019 concerning Affiliate Transactions and Conflict of Interest in Certain Transactions. To prevent conflicts of interest and protect AKR and its shareholders from potential consequences, principles have been established, specifically directed at the Directors, including the following:

1. Directors must avoid conflicts of interest in carrying out their duties, and not exploit their positions for personal gain or for the benefit of related individuals or parties.
2. Directors must avoid any activities that could affect their independence in overseeing operations.
3. Directors are obliged to fill out a Special List containing their share ownership and/or their family's share ownership in other companies.
4. In case of a conflict of interest, it must be disclosed, and the involved Directors should not participate in decision-making processes.
5. Directors are obliged to make statements regarding conflicts of interest in matters contained in the Company's Work Plan and Budget.

Anti-Corruption Commitment

[GRI 205-1] [GRI 205-2][GRI 205-3]

An anti-corruption commitment is a foundation for building strong relationships with stakeholders, creating long-term value, and maintaining business sustainability. In conducting its business activities, AKR opposes all forms of corruption and bribery-related violations.

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. AKR's anti-corruption policy is implemented in accordance with Law No. 20 of 2001 concerning Amendments to Law No. 31 of 1999 concerning the Eradication of Corruption.

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. Therefore, suppliers are also required to sign the Integrity Pact. This ensures that all suppliers act honestly, avoid giving gifts or bribes, and prevent corrupt practices in the procurement process. In addition, the Integrity Pact serves to train all employees to avoid KKN practices.

100%

 employees in AKR Head Office

have signed the Integrity Pact and have been provided with orientation on the Company's Code of Ethics, which includes the commitment to Anti-Corruption.

AKR consistently takes a firm stance against violations. For employees found to be in violation of the Integrity Pact, consequences range from moral sanctions, administrative penalties, to civil and/or criminal liability claims, in accordance with applicable laws and regulations. Additionally, individuals proven to be in violation must be willing to resign without receiving any compensation.

Suppliers and vendors found to be in violation of the Integrity Pact, especially concerning corruption and gratuities, will face consequences in accordance with applicable laws and regulations, including contract termination without any compensation or indemnity from the company.

There were no reports of regulatory violations related to corruption and gratuities received by the company in 2023.

Participation in Public Policy Formulation

AKR actively participates and contributes to the development of various public policies with relevant parties, including the government, by providing a business ecosystem that supports optimal and sustainable economic growth. These initiatives aim to create a solid

foundation for achieving sustainability goals and long-term positive impacts. The business associations in the sectors in which AKR operates serve as our forum for collective input.

Policy on Political Involvement

AKR adopts a neutral stance and does not favor or support any specific political party. This ensures that business activities remain transparent, independent, and free from influences that may lead to conflicts of interest.

The Company avoids contributing to political causes, including to specific political groups. Additionally, AKR explicitly prohibits the use of its facilities for practical political activities, requiring employees running for political office to resign from their positions.

[GRI 415-1]

LIST OF DISCLOSURE BASED ON POJK NO.51/POJK.03/2017

[SEOJK G.4]

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