

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

Version: 2023

LEVEL 2
 BONUS

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
A	Rights of shareholders				
A.1	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.				
A.1.1 (B)	Does the company allow the use of secure electronic voting in absentia at the general meetings of shareholders?	OECD Principle II (C) (4) Shareholders should be able to vote in person or in absentia, and equal effect should be given to votes whether cast in person or in absentia.	Yes	We have conducted E-Rups since 2020, in line with POJK No.15/POJK.04/2020	The procedures were included in the Notice of AGM for Fiscal Year 2022 download

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
B	Equitable treatment of shareholders				
B.1	Notice of AGM				
B.1.1 (B)	Does the company release its Notices of AGM (with detailed agendas and explanatory circulars), as announced to the Exchange, at least 28 days before the date of the meeting?	<p>OECD Principle II (C) (1) Shareholders should be furnished with sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be decided at the meeting. (3) Effective shareholder participation in key corporate governance decisions, such as the Nomination and election of board members, should be facilitated.</p> <p>OECD Principle III (A) ICGN 8.3.2</p> <p>Shareholder participation in governance Shareholders should have the right to participate in key corporate governance decisions, such as the right to Nominate, appoint and remove directors on an individual basis and also the right to appoint external auditors.</p> <p>ICGN 8.4.1 Shareholder ownership rights</p> <p>The exercise of ownership rights by all shareholders should be facilitated, including giving shareholders timely and adequate Notice of all matters proposed for shareholder vote.</p> <p>CLSA-ACGA (2010) CG Watch 2010 - Appendix 2. (I) CG rules and practices (25) Do companies release their AGM Notices (with detailed agendas and explanatory circulars) at least 28 days before the date of the meeting?</p>	Yes	As per requirement of Stock exchange / OJK requirement	Notice of AGM for Fiscal Year 2022 published in IDX website and AKR website on April 6, 2023. download

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C	Role Of Stakeholders				
C.1.1(B)	Does the company adopt an internationally recognized reporting framework for sustainability (i.e. GRI, Integrated Reporting, SASB)?		Yes	The Company adopt GRI Standard and Regulation of the Financial Services Authority Republic of Indonesia Number 51/POJK.03/2017	Sustainability Report 2022 pg 12-17

D.1	Disclosure and transparency				
D.1.1 (B)	Are the audited annual financial report/statement released within 60 days from the financial year end?		No	As per requirement of IDX / OJK requirement, the annual financial report must be submitted in the form of the audited financial statement, no later than at the end of the 3rd month (third) from the financial end.	AKR's 2022 Audited Financial Report was released on 23 March 2023, and published through IDX website, the Company website and newspapers.
D.1.2 (B)	Does the company disclose details of remuneration of the CEO?		Yes		Remuneration of the CEO of the Company was included in the disclosure of BOD's remuneration in 2022 Annual Report page 253

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E	Responsibilities of the Board				
E.1	Board Competencies and Diversity				
E.1.1(B)	Does the company have at least one female independent director/commissioner?	ICGN 2.4.1 Skills and experience The board should consist of directors with the requisite range of skills, competence, knowledge, experience and approach, as well as a diversity of perspectives, to set the context for appropriate board behaviours and to enable it to discharge its duties and responsibilities effectively.	No	AKR has 1 Independent Commissioner; as required by OJK rules - 30%	Independent Commissioner: Mr. Fauzi Ichsan Annual Report 2022 pg. 216-217
E.1.2(B)	Does the company have a policy and disclose measurable objectives for implementing its board diversity and report on progress in achieving its objectives?		Yes		Annual Report 2022 pg.247-258 Sustainability Report 2022 pg.138-139
E.2	Committee				
E.2.1(B)	Does the Committee comprise entirely of independent directors/commissioners ?	ICGN 2.4.4 Composition of board committees The members of these key board committees should be solely Non-executive directors, and in the case of the audit and remuneration committees, solely independent directors. All members of the Nominations committee should be independent from management and at least a majority should be independent from dominant owners.	Yes	Committee consist of Independent Commissioners, President Commissioners and HR Manager.	Annual Report 2022 pg.269-287
E.2.2 (B)	Does the Nominating Committee undertake the process of identifying the quality of directors aligned with the company's strategic directions?		Yes		Nomination & Remuneration Committee Charter Regarding to The duties of Nomination & Remuneration Committee

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E.3	Board Appointments and Re-Election				
E.3.1(B)	Does the company compile a board profile when considering candidates to the board (i.e., identify the professional skills and personal characteristics present on the current board; identify the missing skills and characteristics; and Nominate individuals who could fill possible gaps)?	ASX Code Selection and appointment process and re-election of directors • Disclosure of board selection processes - companies are encouraged to provide greater transparency of the processes which the board adopts in searching for and selecting new directors to the board and to report to shareholders on the processes. Such reporting could include the following: – details as to whether the company develops a board skills matrix and uses this matrix to identify any ‘gaps’ in the skills and experience of the directors on the board – the process by which candidates are identified and selected including whether professional intermediaries are used to identify and/or assess candidates – the steps taken to ensure that a diverse range of candidates is considered – the factors taken into account in the selection process.	Yes		Guideline for BOD & BOC point B In 2023 AKR has been appointing new commissioner Mr Sofyan A. Djalil replacing Mr I Nyoman Mastra based on AGM 2023 approval. AKR uploaded the CV of the candidate 21 days before AGM CV Commissioner
E.3.2(B)	Does the company use professional search firms or other external sources of candidates (such as director databases set up by director or shareholder bodies) when searching for candidates to the board of directors/ commissioners?	WORLDBANK PRINCIPLE 6 (VI.I.21) Are boards known to hire professional search firms when proposing candidates to the board?	Yes	The Company has not used professional search firms until now, but AKR reviewing the skill & competency based on input/experience from our external network	In 2023 AKR has been appointing new commissioner Mr Sofyan A. Djalil replacing Mr I Nyoman Mastra based on AGM 2023 approval. AKR uploaded the CV of the candidate 21 days before AGM CV Commissioner

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E.4	Board Structure & Composition				
E.4.1(B)	Has the company set a limit of five board seats in PLCs including its unlisted subsidiaries?		No	Comply with OJK rules: Max 2 board seats in public listed company but not including unlisted subsidiaries	Annual Report 2022 pg 80-89
E.5	Board Appraisal				
E.5.1(B)	Does the company appoint an external consultant to facilitate the board assessment at least once every three years?	UK CODE (JUNE 2010) B.6.2 Evaluation of the board of FTSE 350 companies should be externally facilitated at least every three years. A statement should be made available of whether an external facilitator has any other connection with the company	N/A	Board of Directors' performance is annually evaluated by Board of Commissioners	Annual Report 2022 pg. 36-38
E.6	Risk Oversight				
E.6.1 (B)	Does the Annual Report contain a statement from the board of directors/commissioners or Audit Committee commenting on the adequacy of the company's internal controls/risk management systems?	OECD PRINCIPLE 6 (VI) (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards. In some jurisdictions it is considered good practice for the internal auditors to report to an independent audit committee of the board or an equivalent body which is also responsible for managing the relationship with the external auditor, thereby allowing a coordinated response by the board. It should also be regarded as good practice for this committee, or equivalent body, to review and report to the board the most critical accounting policies which are the basis for financial reports. However, the board should retain final responsibility for ensuring the integrity of the reporting systems. Some countries have provided for the chair of the board to report on the internal control process.	Yes		Annual Report 2022 pg. 259 - 260

**LEVEL 2
PENALTY**

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
A	Rights of shareholders				
A.1	Basic shareholder rights				
A.1.1 (P)	Did the company fail or neglect to offer equal treatment for share repurchases to all shareholders?	OECD Principle II (A)	No	AKR did buyback in 2020. It was implemented purposefully to increase investors' confidence in the Company. At that time, the stock price of the Company is far below the price that the Company believes as a reasonable market price and very far from the fundamentally reasonable price. The Company also considers that the buyback of shares will create value for the Company's shareholders. Currently the portion is only 1.68% of total shares issued	It was announced on website download
A.2	Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.				
A.2.1 (P)	Is there evidence of barriers that prevent shareholders from communicating or consulting with other shareholders?	OECD Principle II (G) Shareholders, including institutional shareholders, should be allowed to consult with each other on issues concerning their basic shareholder rights as defined in the Principles, subject to exceptions to prevent abuse.	No	The Company's Investor Relations Division strives to fulfill its main function, i.e. maintaining two-way communication between external stakeholders and Management. This is accomplished using a variety of channels and programs. We interact directly through: 1. Participation in public exposes, 2. Attendance in conferences, non-deal roadshows, and meetings with brokers, 3. Holding quarterly performance achievement briefings, 4. Face-to-face meetings with existing and potential shareholders, and 5. Visits to our operating locations.	Annual Report 2022 pg. 301 - 304

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
A.3	Right to participate effectively in and vote in general shareholders meeting and should be informed of the rules, including voting procedures, that govern general shareholders meeting.				
A.3.1 (P)	Did the company include any additional agenda item at the most recent AGM for which due Notices has Not been given?	OECD Principle II (C) 2	No		https://www.akr.co.id/shareholders-agm-egm
A.4	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.				
	Did the company fail to disclose the existence of:				
A.4.1 (P)	Shareholders agreement?	OECD Principle II (D)	N/A	All AKR's shareholders have equal rights. AKR doesn't have Multiple Voting Shares	
A.4.2 (P)	Voting cap?		N/A		
A.4.3 (P)	Multiple voting rights?		N/A		

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
A.5	Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.				
A.5.1 (P)	Is a pyramid ownership structure and/ or cross holding structure apparent?	<p>OECD Principle II (D): Capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their equity ownership should be disclosed.</p> <p>Some capital structures allow a shareholder to exercise a degree of control over the corporation disproportionate to the shareholders' equity ownership in the company. Pyramid structures, cross shareholdings and shares with limited or multiple voting rights can be used to diminish the capability of Non-controlling shareholders to influence corporate policy.</p>	N/A	All AKR's shareholders have equal rights. AKR doesn't have Multiple Voting Shares	
B	Equitable treatment of shareholders				
B.1	Insider trading and abusive self-dealing should be prohibited.				
B.1.1 (P)	Has there been any conviction of insider trading involving directors/commissioners , management and employees in the past three years?	<p>OECD Principle III: The Equitable Treatment of Shareholders (B) Insider trading and abusive dealing should be prohibited.</p> <p>ICGN 3.5 Employee share dealing Companies should have clear rules regarding any trading by directors and employees in the company's own securities. Among other issues, these must seek to ensure individuals do Not benefit from knowledge which is Not generally available to the market.</p> <p>ICGN 8.5 Shareholder rights of action ... minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	No	AKR has implemented Policy of Period of Blackout For Transaction of Sale and Purchase of AKRA Shares to prevent Insider Trading. This period is a limitation for Insiders who are inside the Company, who are aware of Material Information that has not been published.	We regularly report to OJK the shares transaction activity from our board, maximum 10 days after transaction happened Report to OJK

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
B.2					
Protecting minority shareholders from abusive action					
B.2.1 (P)	Has there been any cases of Non-compliance with the laws, rules and regulations pertaining to significant or material related party transactions in the past three years?	<p>OECD Principle III (B) Insider trading and abusive dealing should be prohibited</p> <p>ICGN 2.11.1 Related party transactions Companies should have a process for reviewing and monitoring any related party transaction. A committee of independent directors should review significant related party transactions to determine whether they are in the best interests of the company and if so to determine what terms are fair.</p> <p>ICGN 2.11.2 Director conflicts of interest Companies should have a process for identifying and managing any conflicts of interest directors may have. If a director has an interest in a matter under consideration by the board, then the director should not participate in those discussions and the board should follow any further appropriate processes. Individual directors should be conscious of shareholder and public perceptions and seek to avoid situations where there might be an appearance of a conflict of interest.</p> <p>ICGN 8.5 Shareholder rights of action Shareholders should be afforded rights of action and remedies which are readily accessible in order to redress conduct of company which treats them inequitably. Minority shareholders should be afforded protection and remedies against abusive or oppressive conduct.</p>	No	We regularly report to OJK the material transaction or material facts regarding to our related/affiliated parties, maximum 2 days after the event	Report to OJK
C					
Role of stakeholders					
C.1					
The rights of stakeholders that are established by law or through mutual agreements are to be respected.					
C.1.1 (P)	Has there been any violations of any laws pertaining to labor/employment/ consumer/insolvency/ commercial/competition or environmental issues?	<p>OECD Principle IV</p> <p>(A) The rights of stakeholders that are established by law or through mutual agreements are to be respected.</p>	No		<p>Annual Report 2022 pg 300 & 350</p> <p>Sustainability Report 2022 pg 77; 107; 182-183; 192-195</p>

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.2	Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.				
C.2.1 (P)	Has the company faced any sanctions by regulators for failure to make an announcement within the requisite time period for material events?	OECD Principle IV (B) Where stakeholders participate in the corporate governance process, they should have access to relevant, sufficient and reliable information on a timely and regular basis.	No	We regularly report to IDX and OJK, as per requirement	
D	Disclosure and transparency				
D.1	Sanctions from regulator on financial reports				
D.1.1 (P)	Did the company receive a "qualified opinion" in its external audit report?	OECD Principle V: Disclosure and Transparency (B) Information should be prepared and disclosed in accordance with high quality standards of accounting and financial and Non-financial disclosures. (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects. (D) External auditors should be accountable to the shareholders and owe a duty to the company to exercise due professional care in the conduct of the audit. ICGN 6.2 Annual audit The annual audit carried out on behalf of shareholders is an essential part of the checks and balances required at a company. It should provide an independent and objective opinion that the financial statements fairly represent the financial position and performance of the company in all material respects, give a true and fair view of the affairs of the company and are in compliance with applicable laws and regulations.	Yes		AKR's consolidated financial statements of 2022 got fair statement from external auditor, in all material respects, and has been developed in accordance with Indonesian Financial Accounting Standards. Financial Statement
D.1.2 (P)	Did the company receive a "adverse opinion" in its external audit report?	ICGN 7.3 Affirmation of financial statements The board of directors and the appropriate officers of the company should affirm at least annually the accuracy of the company's financial statements or financial accounts International Auditing Standard (ISA) N. 705 "Modifications to the Opinion in the Independent Auditor's Report" (2009). Paras. 7, 8 and 9 specify the three types of modifications to the auditor's opinion; that is, Qualified opinion, Adverse opinion, and Disclaimer opinion respectively.	No		

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
D.1.3 (P)	Did the company receive a "disclaimer opinion" in its external audit report?		No		
D.1.4 (P)	Has the company in the past year revised its financial statements for reasons other than changes in accounting policies?		No		
E	Responsibilities of the Board				
E.1	Compliance with listing rules, regulations and applicable laws				
E.1.1(P)	Is there any evidence that the company has Not complied with any listing rules and regulations over the past year apart from disclosure rules?	<p>OECD Principle VI (D) (7) Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Companies are also well advised to set up internal programs and procedures to promote compliance with applicable laws, regulations and standards, including statutes to criminalize bribery of foreign officials that are required to be enacted by the OECD Anti-bribery Convention and measures designed to control other forms of bribery and corruption.</p> <p>Moreover, compliance must also relate to other laws and regulations such as those covering securities, competition and work and safety conditions. Such compliance programs will also underpin the company's ethical code.</p>	No		<p>Annual Report 2022 pg 300 & 350</p> <p>Sustainability Report 2022 pg 77; 107; 182-183; 192-195</p>
E.1.2(P)	Have there been any instances where Non-executive directors/ commissioner have resigned and raised any issues of governance-related concerns?	<p>UK CODE (JUNE 2010) A.4.3 Where directors have concerns which cannot be resolved about there running of the company or a proposed action, they should ensure that their concerns are recorded in the board minutes. On resignation, a Non- executive director should provide a written statement to the chairman, for circulation to the board, if they have any such concerns.</p>	No		

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E.1.3(P)	Have there been major corporate scandals that point to weak board of directors/commissioners oversight?	<p>OECD PRINCIPLE VI.D.7. Ensuring the integrity of the corporation's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.</p> <p>Ensuring the integrity of the essential reporting and monitoring systems will require the board to set and enforce clear lines of responsibility and accountability throughout the organization. The board will also need to ensure that there is appropriate oversight by senior management.</p>	No		
E.2	Board A				
E2.1(P)	Does the Company have any independent directors/commissioners who have served for more than nine years?	<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of Non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	No		Mr Fauzi Ichsan is appointed as Independent Commissioner just in April 30'2020

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E2.2(P)	Did the company fail to provide justification and obtain shareholder's approval for retaining the independent director(s)/commissioner(s) beyond nine years?	<p>Malaysian Code on Corporate Governance</p> <p>Recommendation 3.3: The board must justify and seek shareholders' approval in the event it retains as an independent director, a person who has served in that capacity for more than nine years.</p> <p>Singapore Code of Corporate Governance</p> <p>Paragraph 2.4: The independence of any director who has served on the Board beyond nine years from the date of his first appointment should be subject to particularly rigorous review. In doing so, the Board should also take into account the need for progressive refreshing of the Board. The Board should also explain why any such director should be considered independent.</p>	No		Mr Fauzi Ichsan is appointed as Independent Commissioner just in April 30'2020
E2.3(P)	Did the company fail to disclose the date of first appointment of each independent directors(s)/commissioner(s)?		No		Annual Report 2022 pg 80-89
E2.4(P)	Did the company fail to disclose the identity of the independent director(s)/commissioner(s)?	<p>ICGN 2.4 Composition and structure of the board</p> <p>ICGN 2.4.1 Skills and experience</p> <p>ICGN 2.4.3 Independence</p>	No		<p>Independent Commissioner: Mr. Fauzi Ichsan</p> <p>Annual Report 2022 pg. 216-217</p>

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
E.3	External Audit				
E.3.1(P)	Is any of the directors or senior management a former employee or partner of the current external auditor (in the past 2 years)?	<p>OECD Principle V (C) An annual audit should be conducted by an independent, competent and qualified, auditor in order to provide an external and objective assurance to the board and shareholders that the financial statements fairly represent the financial position and performance of the company in all material respects.</p> <p>Examples of other provisions to underpin auditor independence include, a total ban or severe limitation on the nature of Non-audit work which can be undertaken by an auditor for their audit client, mandatory rotation of auditors (either partners or in some cases the audit partnership), a temporary ban on the employment of an ex-auditor by the audited company and prohibiting auditors or their dependents from having a financial stake or management role in the companies they audit.</p>	No	AKR's director is from senior management who has been worked in AKR for long period of time. Only Bu Termurti Tiban that has background as external auditor. She is appointed as director in 2015	https://www.akr.co.id/board-of-commissioners-directors
E.4	Board structure and composition				
E.4.1 (P)	Has the chairman been the company CEO in the last three years?		No	Pak Haryanto is appointed as president director in 1992	https://www.akr.co.id/board-of-commissioners-directors