

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

Version: 2018

PART C
ROLE OF STAKEHOLDERS

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.1	The Rights of stakeholders that are established by law or through mutual agreements are to be respected				
C.1.1	Stipulates the existence and scope of the company's efforts to address customers' health and safety	<p>OECD Principle IV (A): The rights of stakeholders that are established by law or through mutual agreements are to be respected. In all OECD countries, the rights of stakeholders are established by law (e.g. labor, business, commercial and insolvency laws) or by contractual relations. Even in areas where stakeholder interests are Not legislated, many firms make additional commitments to stakeholders, and concern over corporate reputation and corporate performance often requires the recognition of broader interests.</p> <p>Global Reporting Initiative: Sustainability Report (C1.1 - C.15) International Accounting Standards 1: Presentation of Financial Statements</p>	Yes	Disclosed in Annual Report	Annual Report 2017 pg 290-303 Also in Sustainability Report pg 106
C.1.2	Explains supplier/contractor selection practice?		Yes	Suppliers and contractors selected through fair and transparent process of tender in case of material commitments to Capital Expenditure; details of the material commitments related to capital expenditure disclosed in company's Annual report	
C.1.3	Describes the company's efforts to ensure that its value chain is environmentally friendly or is consistent with promoting sustainable development?		Yes	Disclosed In Sustainability report	Sustainability Report 2017 pg 94-99
C.1.4	Elaborates the company's efforts to interact with the communities in which they operate?		Yes	Disclosed in the Sustainability report and also the Annual Report	Sustainability Report 2017 pg 116

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.15	Describe the company's anti-corruption programs and procedures?		Yes	Disclosed in Annual Report; Integrity pact signed by each employee at the time of joining and again reinforced through the Company's vision and training program	Sustainability Report 2017 pg 120
C.16	Describes how creditors' rights are safeguarded?		Yes	Creditors rights are safeguarded through every loan agreement that was created by considering both parties interests	Every loans and its creditors are mentioned in consolidated statements as of 31 December 2017 pg 397-406
Does the company disclose the activities that it has undertaken to implemented the above mentioned policies					
C.1.7	Customer health and safety		Yes	As part of its product liability, the Company has established and provides a Vendor Managed Inventory (VMI) to serve the customers more efficiently, especially in non-subsidized fuel and basic chemical business distribution. Moreover, for the interests of the customers and other stakeholders, the Company and its subsidiaries have provided a feedback mechanism to send out complaints or queries on the Company's products and services through its website: www.akr.co.id and through the phone number printed on each truck of the Company.	Stated on Sustainability Report 2017 pg. 122

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.1.8	Supplier/Contractor selection and criteria	OECD Principle IV (A) & Global Reporting Initiative	Yes	Approximately 74% of the Company's consolidated sales and revenue is derived from petroleum distribution. With the limited local suppliers of fuel and Indonesia's current condition as a net oil importer, this business is highly dependent on suppliers from outside of Indonesia through imports. However, the Company still prioritizes local suppliers for other business segments to bring a positive contribution to and added value for Indonesia's economy	
C.1.9	Environmentally-friendly value chain		Yes	The Company continues to anticipate the risks and consequences possibilities that may arise during their day to-day operational activities. To that end, the Company established an Audit Committee and an Internal Audit Unit. In addition, the Company has also adopted several external initiatives, among others, ISO 13000, OHSAS and a number of other certifications. Meanwhile, for a healthy and environmentally-friendly and safe working environment, the Company has established a Department of Safety, Health and Environment (K3L / SHE).	Stated on Sustainability Report 2017 pg. 106
C.1.10	Interaction with the communities		Yes	Through various CSR activities such as; donation of garbage motorcycle, mobile therapy car service for children with the autistic spectrum, Blood Donors, Polyclinic Help AKR, and Scholarship	The activities are mentioned on Sustainability Report 2017 pg. 118-119
C.1.11	Anti-corruption programs and procedures		Yes	To prevent corruption, collusion and nepotism, the Company has produced an Integrity Pact which must be signed by every person in PT AKR Tbk. The Integrity Pact is a means for the Company to train all employees to stay away from corruption.	It is announced in website and emphasized on Sustainability Report 2017 pg. 120

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.1.12	Creditors' rights		Yes	Creditors rights are safeguarded through every loan agreement that was created by considering both parties interests	Every loans and its creditors are mentioned in consolidated statements as of 31 December 2017 pg 391-396
C.1.13	Does the company have a separate corporate responsibility (CR) report/section or sustainability report/section	OECD Principle V (A): Disclosure should include, but Not be limited to, material information on: (7) Issues regarding employees and other stakeholders. Companies are encouraged to provide information on key issues relevant to employees and other stakeholders that may materially affect the long term sustainability of the company	Yes	CSR programs disclosed in the CSR section of the annual report and also in the Sustainability report	The activities are mentioned on Sustainability Report 2017 pg. 118-119
No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.2	Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights				
C.2.1	Does the company provide contact details via the company's website or Annual Report which stakeholders (e.g. customers, suppliers, general public etc.) can use to voice their concerns and/or complaints for possible violation of their rights?	OECD Principle IV (B): Where stakeholder interests are protected by law, stakeholders should have the opportunity to obtain effective redress for violation of their rights. The governance framework and processes should be transparent and Not impede the ability of stakeholders to communicate and to obtain redress for the violation of rights.	Yes	Provided in website and Annual Report	Annual Report 2017 pg. 278 Also in the website: http://www.akr.co.id/for-investor/contact-details

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.3	Performance-enhancing mechanisms for employee participation should be permitted to develop.				
C.3.1	Does the company explicitly disclose the health, safety, and welfare policy for its employees?	<p>OECD Principle IV (C): Performance-enhancing mechanisms for employee participation should be permitted to develop. In the context of corporate governance, performance enhancing mechanisms for participation may benefit companies directly as well as indirectly through the readiness by employees to invest in firm specific skills.</p> <p>Firm specific skills are those skills/competencies that are related to production technology and/or organizational aspects that are unique to a firm.</p> <p>Examples of mechanisms for employee participation include: employee representation on boards; and governance processes such as works councils that consider employee viewpoints in certain key decisions. With respect to performance enhancing mechanisms, employee stock ownership plans or other profit sharing mechanisms are to be found in many countries.</p>	Yes	Provided in Annual report including full list of training imparted and welfare measures including Heart and Mind program	Annual Report 2017 pg 156-164
C.3.2	Does the company publish relevant information relating to health, safety and welfare of its employees?				
C.3.3	Does the company have training and development programs for its employees?				
C.3.4	Does the company publish relevant information on training and development programs for its employees				
C.3.5	Does the company have a reward/compensation policy that accounts for the performance of the company beyond short-term financial measures?		Yes	The company has implemented share option program to motivate, retain and reward employees for medium to long term	Annual Report 2017 pg 163-164

No.	Questions	Guiding Reference	Y / N	Implementation	Evidence/Source Document
C.4	Stakeholders including individual employee and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.				
C.4.1	Does the company have procedures for complaints by employees concerning illegal (including corruption) and unethical behavior?	OECD Principle IV (E): Stakeholders, including individual employees and their representative bodies, should be able to freely communicate their concerns about illegal or unethical practices to the board and their rights should not be compromised for doing this.	Yes	Yes the company has implemented Whistle blower system which is socialised to all employees and well advertised on company website	Annual Report 2017 pg 284 Through website: GCG>Contact & Information>Whistleblowing & Violation Reporting
C.4.2	Does the company have a policy or procedures to protect an employee/person who reveals illegal/unethical behavior from retaliation?		Yes	The policy on whistle blower protects the identity of the person reporting and handled at BOD level The same is disclosed in the Annual report	Annual Report 2017 pg 284