

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

Version: 2024

LEVEL 2
BONUS

No.	Questions	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?	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 2023 Notice of AGMS 2024
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?	No	AKR releases Notice of AGMS As per requirement of Stock exchange / OJK requirement – 21 days before the date without counting the date of invitation and the AGMS	Notice of AGM for Fiscal Year 2023 published in IDX website and AKR website on April 5, 2024 – 23 days before the date of AGMS. Notice of AGMS 2024

No.	Questions	Y / N	Implementation	Evidence/Source Document
C	Sustainability and Resilience			
C.1.1(B)	Does the company disclose how it manages climate-related risks and opportunities?	Yes	<p>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.</p> <p>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.</p>	AKR's Climate Transition and Adaptation Strategies in Our Business is stated in Sustainability Report 2023 page 56 - 58
C.1.2(B)	Does the company disclose that its Sustainability Report / Sustainability Reporting is externally assured?	No	<p>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.</p> <p>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.</p>	This statement is disclosed in Sustainability Report 2023 page 15
C.1.3(B)	Does the company disclose the engagement channel with stakeholder groups and how the company responds to stakeholders' ESG concerns?	Yes	Stakeholders can download AKR 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	This statement is disclosed in Sustainability Report 2023 page 15

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C.1.4(B)	Does the company have a unit / division / committee who is specifically responsible to manage the sustainability matters?	Yes	<p>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.</p> <p>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</p>	Delegation flow of ESG Committee to ESG Taskforce is disclosed in Sustainability Report 2023 page 149
C.1.5(B)	Does the company disclose board of directors/commissioners' oversight of sustainability-related risks and opportunities?	Yes	Internal Audit has responsibility in Preparing and conducting audits on the effectiveness of internal control systems and risk management in accordance with the Company's policies. The head of internal audit is reporting directly to President Director	Internal Audit Organizational Structure is disclosed in Annual Report 2023 page 220
C.1.6(B)	Does the company disclose the linkage between executive directors and senior management remuneration and sustainability performance for the previous year?	Yes	Performance in the Company's financial and operational sectors and Alignment of the Company's performance with its vision and mission is included as consideration factor in determining Board Remuneration	Procedures for Determining Remuneration for the Board of Commissioners and Directors is disclosed Annual Report 2023 page 204
C.1.7(B)	Is the company's Whistle Blowing System managed by independent parties / institutions?	No	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.	Whistleblowing Mechanism is disclosed in Sustainability Report 2023 page 153

No.	Questions	Y / N	Implementation	Evidence/Source Document
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 2023 Audited Financial Report was released on 21 March 2024, and published through IDX website and the Company website.
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?	No	AKR has 1 male Independent Commissioner	Independent Commissioner: Mr. Fauzi Ichsan Annual Report 2023 page 72
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	AKR has target 2030 for Creating an inclusive workplace through achieving 30% middle-up management position held by women. In 2023, AKR already reached 24% middle-up management positions in AKR that held by women	Sustainability Report 2023 page 46
E.2	Board Structure			
E.2.1(B)	Is the Nominating Committee comprise entirely of independent directors/commissioners ?	Yes	The Nomination Committee consist of Independent Commissioners, President Commissioners and HR Manager.	Composition of the Nomination and Remuneration Committee is disclosed in Annual Report 2023 page 211

No.	Questions	Y / N	Implementation	Evidence/Source Document
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	Performance in the Company's financial and operational sectors and Alignment of the Company's performance with its vision and mission is included as consideration factor in determining Board Remuneration	Procedures for Determining Remuneration for the Board of Commissioners and Directors is disclosed Annual Report 2023 page 204 Duties and Responsibilities of the Nomination and Remuneration Committee is disclosed in Annual Report 2023 page 213 .
E.3	Board Appointments and Re-Election			
E.3.1(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?	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
E.4	Board Structure & Composition			
E.4.1(B)	Do independent non-executive directors/ commissioners make up more than 50% of the board of directors/ commissioners for a company with independent chairman?	No	AKR follows OJK rules: Independent Commissioner minimum 30% of total members	Composition of the Board of Commissioners is disclosed in Annual Report 2023 page 178

No.	Questions	Y / N	Implementation	Evidence/Source Document
E.5	Risk Oversight			
E.5.1 (B)	Does the company disclose that its Board identified key risk in relation to information technology including disruption, cyber security, and disaster recovery, to ensure that such risks are managed and integrated into the overall risk management framework?	Yes	Cyber & information security risks is included as emerging risk that being supervised and managed by AKR. the Company issues a cybersecurity policy covering risk management related to confidentiality, integrity, and availability of Information, namely the Cybersecurity Incident Response (CIR) system.	<p>The implementation of AKR CIR policy and system is disclosed in Annual Report 2023 page 245 - 247</p> <p>Roles of the Board of Commissioners in risk Management is disclosed in Annual Report 2023 page 232</p> <p>The identification of Cyber & information security risks from risk management is mentioned in Annual Report 2023 page 231</p>
E.6	Board Performance			
E.6.1(B)	Does the company have a separate board level Risk Committee?	N/A	Internal Audit has responsibility in Preparing and conducting audits on the effectiveness of internal control systems and risk management in accordance with the Company's policies. The head of internal audit is reporting directly to President Director	Internal Audit Organizational Structure is disclosed in Annual Report 2023 page 220

**LEVEL 2
PENALTY**

No.	Questions	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?	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?	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: <ol style="list-style-type: none"> 1. Participation in public presentations; 2. Attendance at conferences, non-deal roadshows, and meetings with brokers; 3. Conducting quarterly performance achievement briefings; 4. Face-to-face meetings arranged with existing shareholders and potential shareholders; and 5. Visits to operational sites.. 	Annual Report 2023 pg. 234 - 235

No.	Questions	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 and unannounced agenda item into the notice of AGM/EGM?	No	AKR AGMS Agenda that released in announcement always similar with agenda in the invitation	https://www.akr.co.id/shareholders-agm-egm
A.3.2 (P)	Was the Chairman of the Board and the Chairmen of all Board Committees and the CEO absent from the most recent General Meeting?	No	AKR Chairman and CEO always attended AGMS	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?	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		
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?	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?	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	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?	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?	No		Disclosure of Bad Governance Practices is stated in Annual Report 2023 pg. 272 While disclosure of Legal issues is stated in Annual Report 2023 pg. 233
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?	No	We regularly report to IDX and OJK, as per requirement	
C.2.2 (P)	Is there any evidence that the company is engaging in greenwashing activities?	No	All of our initiatives regarding environmental issues are stated in Sustainability Report with accurate & proven data	

No.	Questions	Y / N	Implementation	Evidence/Source Document
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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?	Yes		AKR's consolidated financial statements of 2023 got fair statement from external auditor, in all material respects, and has been developed in accordance with Indonesian Financial Accounting Standards. Audited Financial Report
D.1.2 (P)	Did the company receive a "adverse opinion" in its external audit report?	No		
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 apart from disclosure rules over the past year?	No		Disclosure of Bad Governance Practices is stated in Annual Report 2023 pg. 272 While disclosure of Legal issues is stated in Annual Report 2023 pg. 233

No.	Questions	Y / N	Implementation	Evidence/Source Document
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E.1.2(P)	Have there been any instances where Non-executive directors/ commissioner have resigned and raised any issues of governance-related concerns?	No		
E.2	Board Structure			
E2.1(P)	Does the Company have any independent directors/ commissioners who have served for more than nine years or two terms of five years each (which ever is higher) in the same capacity? The five years term must be required by legislation which pre-existed before the introduction of the ASEAN Corporate Governance Scorecard in 2011	No		Mr Fauzi Ichsan is appointed as Independent Commissioner just in April 30'2020. So that he is still in his first term
E2.2(P)	Did the company fail to correctly identify the description of all their directors as independent, non-executive, and executive?	No		Mr Fauzi Ichsan is appointed as Independent Commissioner. Profile of our BOC & BOD is stated in Annual Report 2023 pg. 69 - 79
E2.3(P)	Does the company have any independent directors/non-executive/commissioners who serve on a total of more than five boards of publicly-listed companies?	No		Independent Commissioner- Mr. Fauzi Ichsan only serve another one Plc beside AKR. So does Mr. Sofyan Djalil Annual Report 2023 pg. 71 - 72

No.	Questions	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)?	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.3.2(P)	Do non-executive directors/commissioners receive options, performance shares or bonuses?	No	MSOP that AKR was ever given designated for key management and employees	