

**2022**  
Summary Report

PT **AKR** Corporindo Tbk **AKR**

# A Year of Growth and Resilience





## THEME EXPLANATION



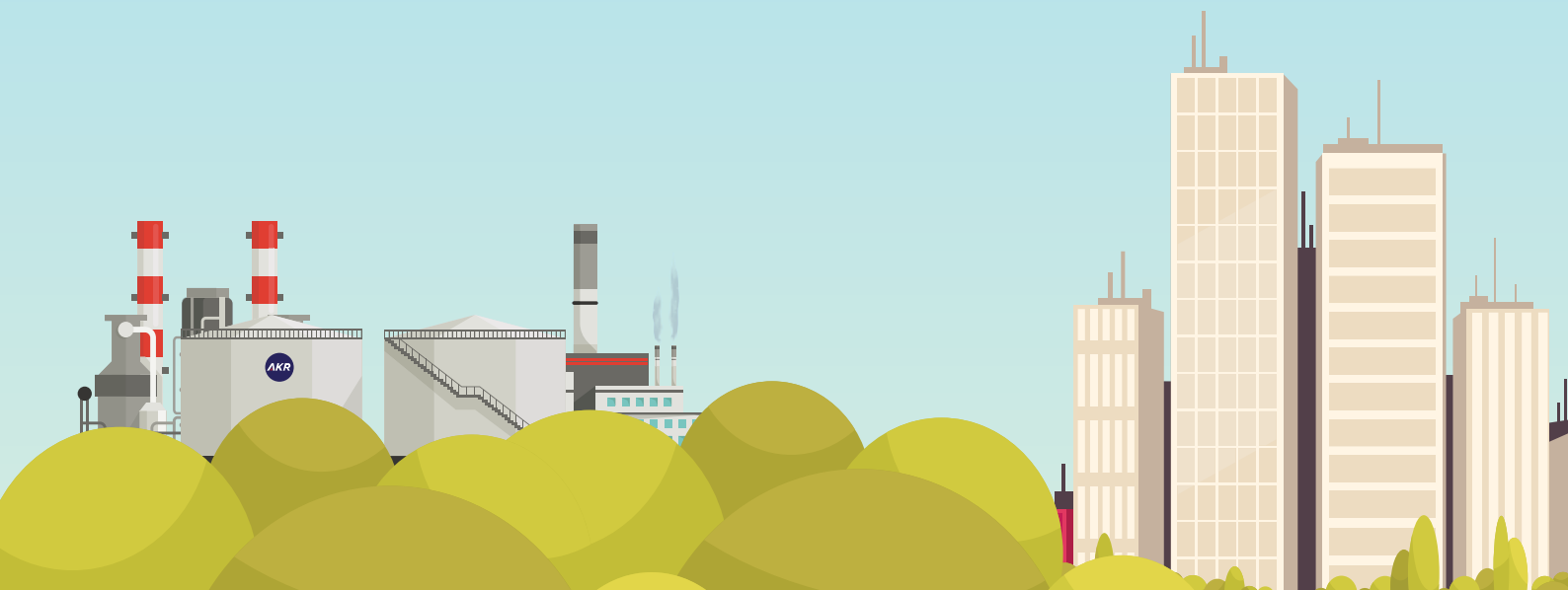
# A Year of Growth and Resilience

2022 was an important year in AKR's business journey, where AKR had to deal with many dynamic challenges and opportunities. Thanks to its strong business model, supported by the toughness, reliability and capability of its human resources, technology and the finances maintained by the Company, AKR recorded many positive achievements. In addition, the strategic initiatives first instigated in 2013 has helped JIPE Gresik SEZ's results as it entered a time of asset monetization. This is reflected in the increase in AKR's ROE (21.9%) and AKR's ROA (8.8%).

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### ESG PERFORMANCE

# ESG



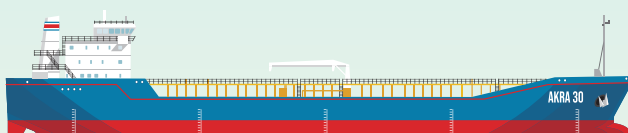
- Total Renewable Energy from biodiesel and solar energy reaches 35,304.15 GJ
- Total emissions are maintained at level of 84,453.36 tons of CO<sub>2</sub>
- Truck efficiency and energy savings in subsidiaries reduced energy consumption at AKR by 3.3%
- Allocated fund for environmental management up to IDR 6+ billion
- Water conservation by developing recycling systems in JTT and Aruki, as well as zero run off water in JIPE Gresik SEZ



- Total Distributed Economy reached IDR 45,936 billion
- Tax contribution to government increased by 100.66%
- Dividend payment to shareholders increased by 56%
- The realization of 2022 CSR program reached IDR 22 billion - 0.5% of Gross Profit
- >20% of middle up management positions are women, 43% of Directors are women
- Safe working hours of 13.99 million hours, with 12.28 million KM mileage of the truck fleet without accidents



- 100% of employees signed the Integrity Pact and given socialization on the Company's Code of Ethics including the Anti-Corruption commitment
- 100% of supplier vendors have got anti-corruption socialization.
- Established the ESG Committee and ESG Task Force
- Multi-channel WBS
- Established governance in Cyber security





## AKR Corporindo wins B20 Sustainability 4.0 Award HSBC Net Zero Transition Award - Investment in Clean Energy



ESG Risk Rating  
25.6 Medium Risk

**S&P Global**

**MSCI**

**ISS CORPORATE SOLUTIONS**

**REFINITIV**



Indonesia Stock Exchange  
member of  
**wfe** WORLD FEDERATION OF EXCHANGES

**ESG STAR LISTED COMPANY**



## IMPORTANT ACHIEVEMENTS 2022

### Net Profit

**116%** yoy



Rp **2,403** Bn

### EBITDA

**90%** yoy



Rp **3,539** Bn

### Gross Profit

**85%** yoy



Rp **4,252** Bn

### Net Gearing

**-0.12** x

Net Cash

### Cash Balance

IDR **4,338** Bn

16% of total asset

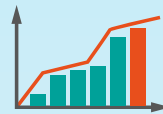
## 13 operational locations receive BLUE PROPER certificates

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

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



JIIPE Receives Operational Certificate for Gresik SEZ



55% increase in AKRA's share price after the 1:5 stock split: from Rp840/share to Rp1,305/share.

AKR Corporindo receives the B20 Sustainability 4.0 Award HSBC Net Zero Transition Award in the Investment in Clean Energy category



36 Total bp AKR service stations opened



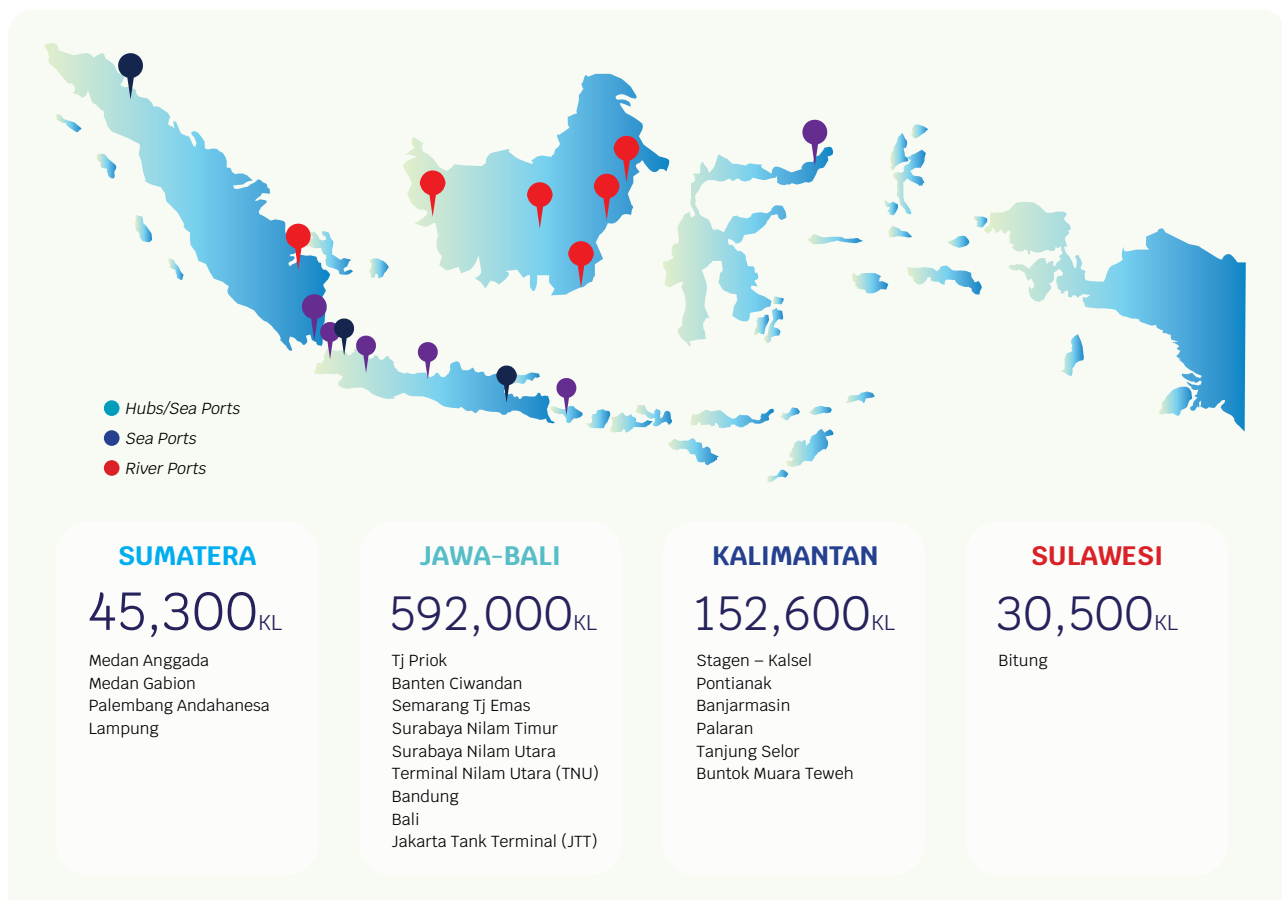


# ABOUT AKR

AKR is a leading logistics & supply chain service provider in Indonesia that facilitates trade and commerce of petroleum products and basic chemicals. Since its establishment, AKR has been oriented towards providing value to stakeholders, be it meeting the needs of industry customers, becoming an extension for suppliers, conducting business according to regulations, and providing profit and benefits to shareholders and employees. The Company has served industries in Indonesia for 63 years and has strong relationships with industrial suppliers and customers.

AKR continues to strengthen its logistics and supply chain networks throughout Indonesia. The logistics infrastructure network includes 11 sea ports and 6 river ports as well as storage tanks at 20 points across the Indonesian archipelago. The Company has an information technology platform that monitors movements, inventory positions, and product condition from upstream to downstream – from the time of purchase to when they reach the consumers. The strength that has been built over 63 years has enabled AKR to reach thousands of industrial customers in Indonesia.

### Location of Tank Terminals

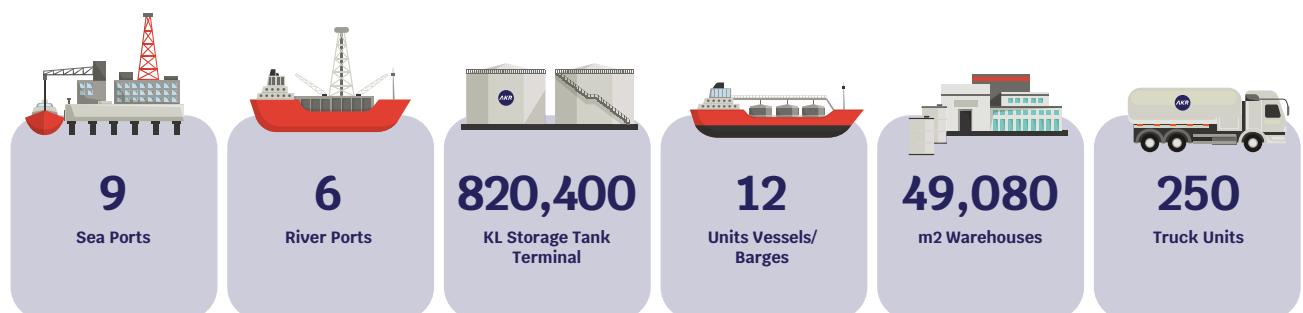




AKR distributes petroleum and basic chemicals that are the essential raw materials and energy needed by industrial customers covering the entire spectrum of the Indonesian industry. Risk Management is a critical part of AKR's business model and the Company has delivered consistent results across various commodity and exchange cycles. The business model and range of products distributed by the Company has turned AKR into a company with a stable business growth.

AKR has established strategic partnerships with several partners to expand its market reach and customer base. Now, in addition to strengthening its main business in the distribution and logistics trading segments, AKR is also developing the Java Integrated Industrial and Port Estate (JIIPE). With its status of a Special Economic Zone, JIPE Gresik SEZ is attracting investors in downstream industries, promoting industrial growth, and supporting Indonesian Government programs. AKR is also expanding its retail petroleum and aviation fuel customer base with bp.

AKR continues to develop its business strategies in line with stakeholder expectations so that it can grow in sustainable manner. The Company has proven it can deliver consistent performance despite the many crisis and economic phases, and has continued to generate value for stakeholders.





## 2022 STRATEGY



### Proactive logistic supply chain network

- Strengthen cooperation with suppliers
- Provide sufficient fleet and trucks
- Strengthen IT monitoring and assist distribution planning
- Market intensively and assistance with the CRM system



Promote JIPE as a Special Economic Zone with complete world-class facilities



Offer premium quality fuel with attractive promotions and a wider reach of bp AKR station network



Develop Governance to define and supervise sustainability initiatives









## AWARDS AND CERTIFICATION



ASIA MONEY AWARD 2022 Most Outstanding Industrial Company in Indonesia



The Best Oil and Gas Company - Bisnis Indonesia Awards 2022



Most Valuable Brand in Indonesia - Top 10 Fastest Growing Brands from Brand Finance

Brand Value: USD 182 million, with a 51.5% increase in BV  
Brand Strength Index (BSI): 63.2/100, with a BSI increase of 3.1  
Brand Rating: A+



Indonesia Respectful Legends - Companies 2022 based on SWA Assesment Survey



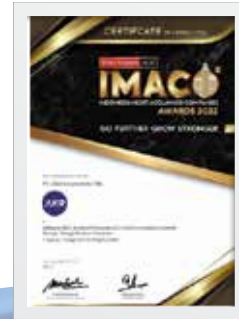
Indonesia Living Legend Company 2022 - SWA Magazine



BPH Migas Award 2022 in the Compliance with Provision on Fuel Operational Reserves category



Top 50 Big Capitalization Public Listed Company  
2022 – IICD



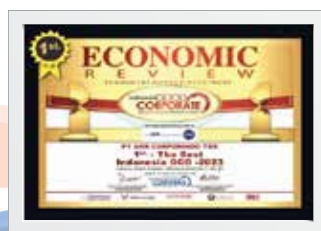
Indonesia Most Acclaimed Company 2022 with  
Outstanding Corporate Strategy through Business  
Expansion in the Energy and Mining Industry  
category – Warta Ekonomi



Received the 2022 Corporate Emissions  
Transparency GOLD Award in the Issuer Sector  
category



B20 Sustainability 4.0 Award HSBC Net Zero  
Transition Award in the Investment in Clean Energy  
category



1<sup>st</sup> Best Indonesia GCG 2023, Category Public  
Company – Wholesale (Asset Rp1T – Rp5T), by  
Economic Review



1<sup>st</sup> Best Indonesia Enterprise Risk Management  
2023, Category Public Company – Wholesale (Asset  
Rp1T – Rp5T), by Economic Review



## SUMMARY REPORT



2<sup>nd</sup> Best Indonesia Finance 2023, Category Public Company - Wholesale (Asset Rp 1T - Rp5T), by Economic Review



Indonesia Excellence GCG Awards 2023 - AKRA Managing a High Level of Company Performance in GCG Ethics, by Warta Ekonomi

## SERTIFIKASI

1

### ISO 9001:2015

Industrial Petroleum Trade & Distribution Management System  
July 9, 2020 – July 8, 2023  
Head Office and 11 Branch Offices  
Lloyd's Register

2

### ISO 9001:2015 – Standard

Quality Management System  
December 13, 2019 – December 13, 2022  
PT Berkah Kawasan Manyar Sejahtera – JIPE  
MSC – Global

3

### ISO 45001:2018 – Standard

Occupational & Health Management System  
December 13, 2019 – December 13, 2022  
PT Berkah Kawasan Manyar Sejahtera – JIPE  
MSC – Global

4

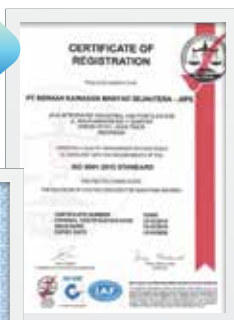
### ISO 14001:2015 – Standard

Environmental Management System  
December 13, 2019 – December 13, 2022  
PT Berkah Kawasan Manyar Sejahtera – JIPE  
MSC – Global

1



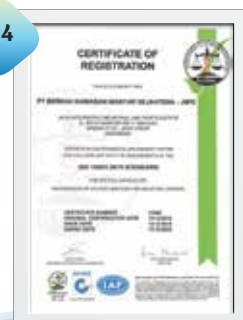
2



3



4





## IMPORTANT EVENTS 2022

January 6, 2022



AKRA 1:5 Stock Split

February 10, 2022



JIIPE Gresik SEZ Installs Xurya PLTS Roof to Support its Commitment to Use Renewable Energy

March 14, 2022



BKMS and PLN Sign a 170 MVA Power Purchase Agreement to operate PT Freeport Indonesia's Smelter in JIIPE SEZ

April 28, 2022



AKRA GMS Approves Dividend Distribution of Rp572 billion, with Dividend per share of Rp29, for payout ratio of 51.5% of 2021 net profit

August 25, 2022



PT XINYI GLASS INDONESIA Signs a Land Purchase Agreement for the Construction of a Glass Production Factory in JIIPE SEZ

October 19, 2022



AKR Corporindo receives the B20 Sustainability 4.0 Award HSBC Net Zero Transition Award in the Investment in Clean Energy category

November 23, 2022



JIIPE Receives Operational Certificate for Gresik SEZ

December 15, 2022



Assignment for Subsidized Biodiesel Supply and Distribution for 2023 - 2027

December 27, 2022



11 AKR storage terminals, and 1 AKR and JTT branch received BLUE Proper Certificate



## CORPORATE IDENTITY



## NAME

PT AKR Corporindo Tbk



## ESTABLISHMENT DATE

November 28, 1977



## LEGAL ENTITY STATUS

Limited Liability Company (Tbk)



## STOCK CODE

AKRA



## BUSINESS LINES

1. Trading and Distribution
2. Logistic Services
3. Manufacturing
4. Industrial Estate



## LEGAL BASIS OF ESTABLISHMENT



Deed No. 46 dated November 28, 1977, made before Sastra Kosasih, notary in Surabaya, and approved as a legal entity based on Republic of Indonesia Minister of Justice decree Number Y.A.5/161/7 dated June 14, 1978, and was published in the Official Gazette of the Republic of Indonesia No. 101 dated December 19, 1978, Supplement No. 741/1978.



## PAID UP CAPITAL



Rp750,000,000,000, divided into 37,500,000,000 shares, each share has a nominal value of Rp20.

## AUTHORIZED CAPITAL



Rp401,469,492,000 comprising 20.073.474.600 shares with a nominal value of Rp20 per share of the nominal value of any shares issued by the Company.

## LISTING DATE ON STOCK EXCHANGE



Indonesia Stock Exchange, October 03, 1994.

## ADDRESS



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

## TOTAL EMPLOYEES



2.645 people

## SHAREHOLDERS



- 59,60% PT Arthakencana Rayatama
- 40.4% Public

## LISTING DATE ON STOCK EXCHANGE



Sustainable Bonds I AKR  
Corporindo Phase 1 2017 With Fixed  
Rate C Series

## TELEPHONE



+62 21 5311110

## CORPORATE CONTACT



Corporate Secretary  
Tel.: +62 21 5311110  
Fax.: +62 21 5311185  
Email: corporate.secretary@akr.co.id

## FACSIMILE



+62 21 5311388, 5311185

## EMAIL



corporate.secretary@akr.co.id

## WEBSITE



www.akr.co.id





## BRIEF HISTORY



PT AKR Corporindo Tbk (hereinafter referred to as “AKR” or “the Company”) was established on November 28, 1977 in Surabaya under the name PT Aneka Kimia Raya, by virtue of Deed No. 46 dated November 28, 1977 made before Notary Sastra Kosasih. AKR has come a long way in the business world. Initially, AKR was engaged in trading of basic chemicals. In the 1970s, the number of storage tanks and warehouses of basic chemicals in several major ports in Indonesia owned by AKR made the Company the largest chemical distributor in Indonesia.

In the 1980s, AKR relocated its head office to Jakarta and in the following decade the Company became a public company listed on the Indonesia Stock Exchange. The Company's Initial Public Offering (IPO) was held on October 3, 1994 with AKRA stock code.

In line with the addition of business lines that no longer only focused on basic chemical business, in 2004 the Company changed its name to PT AKR Corporindo Tbk. In the Articles of Associations, the Company's business activities included chemicals, petroleum, gas, logistics business, transportation services, warehouse and tank rental, workshops, expeditions and packaging, building contractors and service (except legal services), as well as conducting business and acting as representatives and/ or agency for other companies both inside and outside the country.

In 2005, the Company started the non-subsidized fuel distribution business, thus becoming the first national private company to enter into the distribution of fuel products. Five years later, the Company was entrusted by the Regulatory Agency for Upstream Oil and Gas (BPH Migas) to distribute subsidized fuel to several regions in Indonesia. The Company implements an innovative integrated technology system in the supervision and control of the distribution of subsidized fuel, and remains trusted on an ongoing basis as a P3JBT Implementing Business Entity (Executor for the Provision and Distribution of Certain Types of Fuel Oil (BBM)). The Company and BP AKR now have more than 156 retail outlets that cover the 3T (Outermost, Frontier, Disadvantaged) and urban areas. The Company continues to expand its market reach and customer base through partnerships with several well-known partners in their fields. In 2013, the Company and PELINDO established a joint venture for the JIPE in East Java. JIPE covers 3,000 ha with an Industrial Estate of 1,761 ha, Deep Sea Port of 406 ha, and residential area developed by affiliate of the company making it one of the largest Private Public Sector Partnerships in Indonesia. AKR through its subsidiary UEPN indirectly owns 60% of the Company shares, and Pelindo indirectly owns 40% through its subsidiary BJTl.



On June 28, 2021, the Government issued Government Regulation (PP) No. 71 of 2021 that established JIPE as a Technology & Manufacturing SEZ (Special Economic Zone) making it one of the most competitive Industrial Estates, in demand by industrial players in the Java and Eastern Indonesia regions. Gresik JIPE SEZ is Special Economic Zone for Technology and Manufacturing also a National Strategic Project.

JIPE SEZ is home to the world's largest Copper Smelter. The groundbreaking of this project was held in August 2021 and was attended by the President of Indonesia.

The Company is collaborating since 2018 with bp to develop the retail fuel and lubricants market, as well as distribute aircraft fuel at new airports in Indonesia. AKR has further strengthened its position as a fuel distribution company by opening bp AKR gas stations. To date, there were 36 (thirty six) bp AKR gas stations.

In 2020, the Company and PETRONAS Chemicals Group Berhad through their respective subsidiaries established a joint venture to work together to distribute chemicals in Indonesia. This business started operations in 2021.

On August 4, 2021, the Company also started an initiative towards cleaner energy by establishing a gas distribution JV company with PT Bayu Buana Gemilang (BBG). Through the JV company, PT Berkah Buana Energi (BBE), the Company will distribute natural gas to the JIPE Gresik SEZ area and its surroundings, and will also look for other opportunities outside of JIPE. AKR controls 65% ownership while BBG holds 35%.

### Chronology of Name and Legal Status Changes

The Company was established as PT Aneka Kimia Raya, based on Deed No. 46 dated November 28, 1977, made before Notary Sastra Kosasih. The chronology of changes on the Company's name is as follows:

- The Company changed its legal status to a public company after the Initial Public Offering and was officially listed on the Indonesia Stock Exchange on October 3, 1994, under the name PT Aneka Kimia Raya Tbk. The approval from the Company's shareholders of this change was recorded in Deed No. 163 dated May 16, 1994, made before Poerbaningsih Adi Warsito, S.H., Notary in Jakarta, and received approval from the Republic of Indonesia Minister of Justice through Decree No. C2-12686.HT.01.04.Th.94 dated August 23, 1994.
- The Company changed its name to PT AKR Corporindo Tbk on September 23, 2004, in line with the addition of its business lines. This change was recorded in Deed No. 36 dated September 23, 2004, made before Doctor Amrul Partomuan Pohan, S.H., LLM, Notary in Jakarta, and approved by the Republic of Indonesia Minister of Justice and Human Rights through Decree, No. C-24263 HT.01.04.TH 2004 dated September 29, 2004.

#### A Glance at the Company's Name Changes

**PT ANEKA KIMIA RAYA**  
November 28, 1977

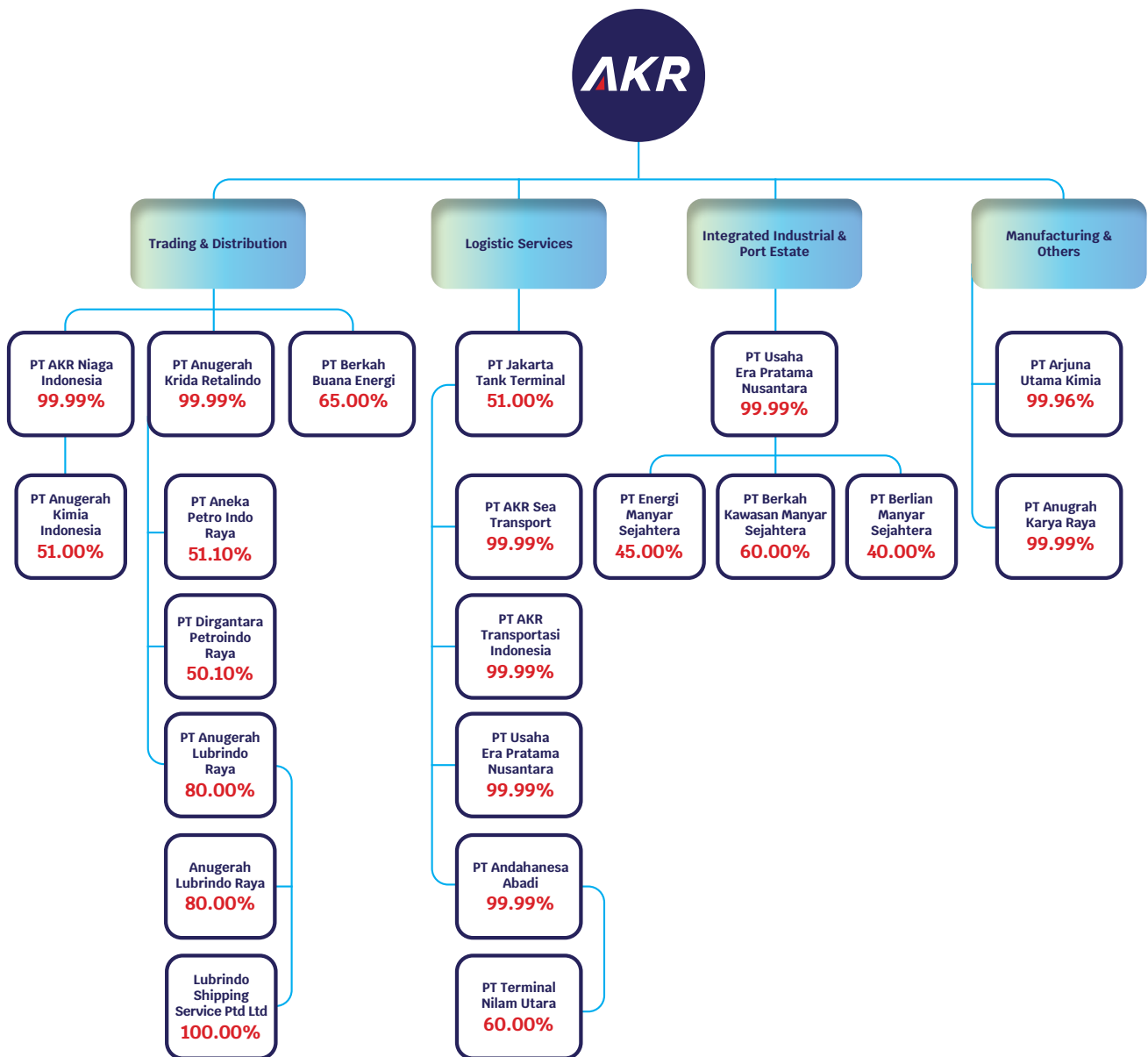


**PT ANEKA KIMIA RAYA TBK**  
October 3, 1994



**PT AKR CORPORINDO TBK**  
September 23, 2004 – present

# COMPANY GROUP STRUCTURE



## Our JV Partners



PT Aneka Petro Indo Raya

PT Dirgantara Petroindo Raya



PT Berkah Kawasan Manyar Sejahtera

PT Berlian Manyar Sejahtera



PT Anugerah Kimia Indonesia



PT Jakarta Tank Terminal



# OPERATING AREAS AND OFFICE ADDRESS LIST

### HEAD OFFICE

#### PT AKR Corporindo Tbk

AKR Tower Lt 26  
Jl. Panjang No.5, Kebon Jeruk  
Jakarta Barat 11530, Indonesia  
Telp: +62 21 531 1110  
Fax: +62 21 531 1388, 531 1185

### Branch/Representative Offices

#### WEST REGION

##### BANDUNG

Kawasan Industri Cimareme V  
No. 5 Ngamprah,  
Bandung Barat 40553, Indonesia  
Telp: +62 22 686 5000  
Fax: +62 22 686 4649

##### CIWANDAN

Jl. Pelindo II Ciwandan  
Cilegon Banten  
Telp: +62 254 602088/87/131  
Fax: +62 251 602130, 602132

##### LAMPUNG

Jl. Sumatera, Komplek Pelindo II -  
Panjang Bandar Lampung 35241,  
Indonesia  
Telp: +62 721 343100, 341650  
Fax: +62 721 343333

##### MEDAN

Jl. Anggada 1, Pelabuhan Ujung  
Baru Belawan, Medan 20411,  
Indonesia  
Telp: +62 61 694 4091  
Fax: +62 61 649 4268

##### PALEMBANG

Jl. Belabak 36A/ 3 Ilir  
Palembang 30116, Indonesia  
Telp: +62 711 717636, 717644, 717645  
Fax: +62 711 710072

##### SEMARANG

Gedung Bank Panin Lt. 4  
Jl. Pandanaran No. 6-8  
Semarang 50134, Indonesia  
Telp: +62 24 351 2132  
Fax: +62 24 351 4010

#### EAST REGION

##### BALI

Jl. Ikan Tuna 1, Pelabuhan Benoa  
Denpasar Selatan, Bali, Indonesia  
Telp: +62 361 720743  
Fax: +62 361 720563

##### BALIKPAPAN

Gedung BRI Lt.5,  
Jl. Jend. Sudirman No.37,  
Balikpapan, Kalimantan Timur 76112,  
Indonesia  
Telp: +62 542 736771

##### BANJARMASIN

Pelabuhan Martapura Baru Trisakti,  
Kawasan Pelindo Banjarmasin,  
Kalimantan Selatan 70119,  
Indonesia  
Telp: +62 511 442 3279  
Fax: +62 511 442 3289

##### MANADO dan Sekitarnya

Grand Kawanua Novotel Manado  
Lt III Jl. AA Maramis - Kayuwatu /  
Kairagi II Manado 95254 -  
Sulawesi Utara  
Telp: +62 431 818 911-12  
Fax: +62 431 818 910

##### SURABAYA

Jl. Sumatera No. 51-53  
Surabaya 60281, Indonesia  
Telp: +62 31 503 4871/72  
Fax: +62 31 328 4726

## **Terminal/Transportation/ Warehouse**

### **TANJUNG PRIOK**

Jl. Aceh, Pelabuhan Tanjung Priok,  
Pos E Samping PT. Bimoli,  
Jakarta Utara, Indonesia  
Telp: +62 21 4372318  
Fax: +62 21 43930017

### **MARUNDA 1**

Jl. Ambon Blok A1 No. 5,6,7  
KBN Marunda  
Jakarta Utara, Indonesia  
Telp: +62 21 440 6569, 440 6570  
Fax: +62 21 440 6571

### **MARUNDA 2**

Jl Semarang Blok A6 No. 2  
KBN Marunda,  
Jakarta Utara, Indonesia  
Telp: +62 21 441 5979, 441 5977

### **NILAM TIMUR**

Terminal AKR I  
Jl. Nilam Timur,  
Surabaya, Indonesia  
Telp: +62 31 328 2965, 329 1979  
Fax: +62 31 329 1977

### **NILAM UTARA**

Terminal AKR II  
Jl. Nilam Utara,  
Surabaya, Indonesia  
Telp: +62 31 329 5008, 3292 252  
Fax: +62 31 329 2252

### **PALARAN**

JL Trikora RT 25, Jembatan Kuning,  
Kelurahan Handil Bakti,  
Palaran, Samarinda,  
Kalimantan Timur, Indonesia  
Telp : +62 541 6522 204, 6522 544

### **STAGEN**

Jl Raya Stagen  
Komplek PELINDO III - Stagen  
Pulau Laut Utara - Kab. Kota Baru  
Kalimantan Selatan - 72151, Indonesia  
Telp: +62 518 607 2372

### **SURABAYA**

Jl. Margomulyo 44  
Pergudangan Suri Mulia Kav. A6-8,  
Surabaya, Indonesia  
Telp: +62 31 749 1041  
Fax: +62 31 749 1045, 748 2241

### **BITUNG**

Jl. Wolter Monginsidi KM 4  
Kelurahan Paceda,  
Kecamatan Bitung Tengah, Kota Bitung,  
Sulawesi Utara, Indonesia  
Telp: +62 438 2230734, 2230733

### **SEMARANG**

Jl. Coaster No. 16 Pelabuhan, Tanjung Mas  
Semarang 50174, Indonesia  
Telp: +62 24 354 6066  
Fax: +62 24 351 4010



# BUSINESS LINES



## BUSINESS ACTIVITIES BASED ON ARTICLES OF ASSOCIATION

Based on Article 3 of the Company's Articles of Association where an amendment was approved at the Extraordinary General Meeting of Shareholders dated April 30, 2020, the Company's purpose and objectives are to engage in:

1. Industry;
2. Trading;
3. Transportation and warehousing (renting activity and leasing without option rights, employment, travel agents and other business supports);
4. Supply of electricity, gas, steam, hot water and cold air;
5. Professional, scientific and technical (service) activities;
6. Construction.

## CURRENT BUSINESS ACTIVITIES

To achieve its purpose and objectives, the Company conducts the following business activities:

## Main Business Activity

### 1. Industry:

- Industrial products from petroleum refineries, including industrial businesses in asphalt/tar, bitumen and wax (can be used for road surfaces, roof, wood, paper, etc.) and Petroleum Coke. Including the product industry for petrochemical industry, various product industries, such as white spirit, vaseline, paraffin wax, petroleum jelly, petroleum briquette industry and biofuel mixing, such as mixing alcohol with petroleum (e.g. gasohol); and
- The petroleum industry from purification and refinery of petroleum including purification and refinery of petroleum producing fuels such as Avigas, Avtur, Gasoline, Kerosene, Solar Oil, Diesel Oil, Petroleum or Gasoline, Solvents, including LPG from refined petroleum products.



## 2. Trading:

- Wholesale trading in solid, liquid and gas fuels and related products, including crude oil, diesel fuel, gasoline, oil fuels, kerosene, premium, diesel, kerosene, coal, charcoal, pulp rock charcoal, wood fuel, naphtha, biofuels and other fuels including gas fuels, such as LPG, butane and propane gas and polish oil, lubricating oils and refined petroleum products;
- Wholesale trading in basic chemicals goods and materials including wholesale trade of basic chemicals goods and materials and industrial chemicals, such as printer ink, essential oils, industrial gases, chemical adhesives, dyes, artificial resins, methanol, paraffin, flavorings and deodorizers, soda, salt industrial, acid and sulfur and others; and
- Retail trading in Gas Fuels (BBG) and Liquefied Gas Fuels (LPG) at Sea and Air Transportation Refueling Facilities, including the retail trading business, petroleum, gas fuel, LPG, or other types of fuels at refueling facilities for land, sea and air transportation (such as petrol stations (SPBU), gas fuel stations (SPBG), etc.) for motorized vehicles such as cars and motorcycles (for example gasoline, diesel, CNG and LPG), including fuel for speed boats and generators. Usually, this activity is combined with sales of lubricants, cooling products, cleaning materials and other items for cars and motorbikes.

## 3. Transportation and Warehousing (Rental and Leasing Activities Without Option Rights, Employment, Travel Agencies and Other Business Supports):

- Transportation through pipelines, including the transportation of oil and natural gas (petroleum, fuel oil, refined products and natural gas), liquids, water, mud, and other commodities from the manufacturer (producers) to users (consumers) with pipelines on a fee or contract basis, including the operation of pumping stations;
- Motorized transportation for general goods, including transportation of goods by motorized vehicles and can carry more than one type of goods, such as transportation by truck, pick up, and open and closed boxes;
- Motorized transportation for special goods, including transportation of goods by motorized vehicles that specifically only transport one type of goods, such as fuel oil (BBM), petroleum, processed products, LPG, LNG and CNG, dangerous goods, hazardous and toxic waste materials, heavy equipment, containers, live plants, live animals and motorized vehicles;

- Domestic sea transportation for specific goods, including transportation of goods by using ships specifically designed to transport certain types of goods, such as dangerous goods, hazardous and toxic waste, fuel oil, petroleum, processed products, LPG, LNG and CNG, fish and similar;
- Warehousing and storage, including businesses that stored goods temporary storage before delivered to final destination, with commercial objectives;
- Oil and Gas Storage, including storage business activities including (activities for receiving, collecting, storing and releasing petroleum, fuel oil, gas fuel, and/or processed products at locations above and/or below ground level and and/or surface water for commercial purposes including storage in free trade zones;
- Hazardous and toxic materials storage activities, including storing goods that require storage according to the nature/characteristics of hazardous and toxic materials;
- Bonded warehousing or bonded zones activities including businesses or activities that are part of the customs territory, which receive special treatment from the government such as being outside the customs territory and managed by an entity conducting warehousing activities, such as Batam Island Industrial Area; and
- Rental and leasing activities without rights options for cars, buses, trucks, and others including rental and leasing activities without operational rights (operational leasing) for all types of land transportation without operators, such as cars, trucks and tow trucks.

## 4. Professional, scientific and technical (service) activities:

- Other management consulting activities, including giving advice, guidance and management of business operations and other organizational and management issues, such as strategic and organizational planning; financial decisions; marketing objectives and policies; human resource planning, practices and policies; production scheduling and control planning. These professional services can include advisory assistance, guidance and operational management functions agronomist and agricultural economic management consultations in agriculture and alike, design of accounting methods and procedures, cost accounting programs, budget monitoring procedures, advisory services and assistance for business and community services in planning, organizing, efficiency and supervision, information management and others. This includes infrastructure investment study services.



## Supporting Business Activities

### 1. Transportation and Warehousing:

- Seaport service activities, including seaport service business activities related to water transportation for passengers, animals or goods, such as operating terminal facilities such as ports and docks, navigation, cargo and/or container inspection using ionizing radiation sources (radioactive substances and ionizing radiation generators), shipping and berthing activities, mooring;
- *River and lake harbor service activities, including business activities of carrying out river and lake ports. Includes activities related to water transportation for passengers, animals or goods, such as operation of terminal facilities such as ports and docks, navigation, cargo and/or container inspection using ionizing radiation sources (radioactive substances and ionizing radiation generators), shipping and berthing activities, mooring and scouting and towing services.*

### 2. Construction:

- Construction of civil bridges and overpasses, overpasses and underpasses including the construction, maintenance and/or repair of bridges (including railway bridges), flyovers, underpasses and overpasses. This activity includes the construction, improvement, maintenance, support, attachment and equipment to the bridges and overpasses, such as fences/retaining walls, road drainage, road markings, and signs;
- Civil Building Prefabricated Construction Work Services including the installation of factory-produced materials such as precast concrete, steel, plastic, rubber, and factory products such as precast concrete, plastic steel, rubber and other factory products using manufacturing methods, erection, and/or assembly for civil buildings;
- Non-fishery port building construction, including construction, maintenance, and/or repairing jetties, trestles, port facilities, wave barriers and similar, non-fishery ports. Including construction of waterways or canals, ports and river facilities, docks (bases), locks (Panama Canal Lock, Hoover Dam) and others; and
- Construction of civil oil and natural gas buildings, including construction, maintenance and/or repairing civil buildings for upstream and downstream oil and gas business activities.

### 3. Supply of electricity, gas, steam, hot water and cooled air:

- Electric Power Generation including the business of generating electricity by generating electric power using various types of energy sources. Fossil energy sources include coal, gas, fuel oil, and diesel. Renewable energy sources include geothermal, wind, bioenergy, sunlight, water flows and waterfalls, movement and temperature differences in the ocean layers. Hybrid energy sources that combine fossil energy sources with renewable energy, and energy that comes from energy storage technology;
- Other Electric Power Support Activities including other service businesses directly related to the supply and use of electricity not included in group 35121 and 35122, such as meter recording services, billing and trading activities for electricity tokens/tolls as well as other electricity support activities;
- Procurement of Natural and Artificial Gas including processing gas fuel that can be used directly as fuel where the manufacturing involves improving the gas quality through purification, mixing and other processes produced from natural gas (including LPG), carbonation and rock gasification ember, or other hydrocarbon material;
- Distribution of natural and artificial gas including distribution of gas through networks with extra high pressure (more than 10 bar); high pressure (between 4 bar to 10 bar); and those with medium to low pressure (below 4 bar), either from own production or from other parties to consumers or customers. Gas distribution through pipes on the basis of remuneration or fees, is included in group 49300. Includes channeling, distribution and procurement of all types of fuels through channel systems, gas trading to consumers through channels, gas agent activities that carry out gas trading through gas distribution systems operated by other parties and operation of commodity exchange and gas fuel transport capacity.

## BUSINESS SEGMENT, PRODUCTS AND SERVICES

In conducting its business, the Company categorizes its main business types in 4 (four) segments as follows:

1. Petroleum and Basic Chemicals Trading and Distribution
2. Logistic Infrastructure
3. Manufacturing
4. Integrated Industrial and Port Estate

The business activities and products and services from each segment are shown below:

## Trading and Distribution

The trading and distribution segment is currently the main business pillar for the Company. In this segment, the Company focuses on two main products, petroleum (BBM) and basic chemicals.

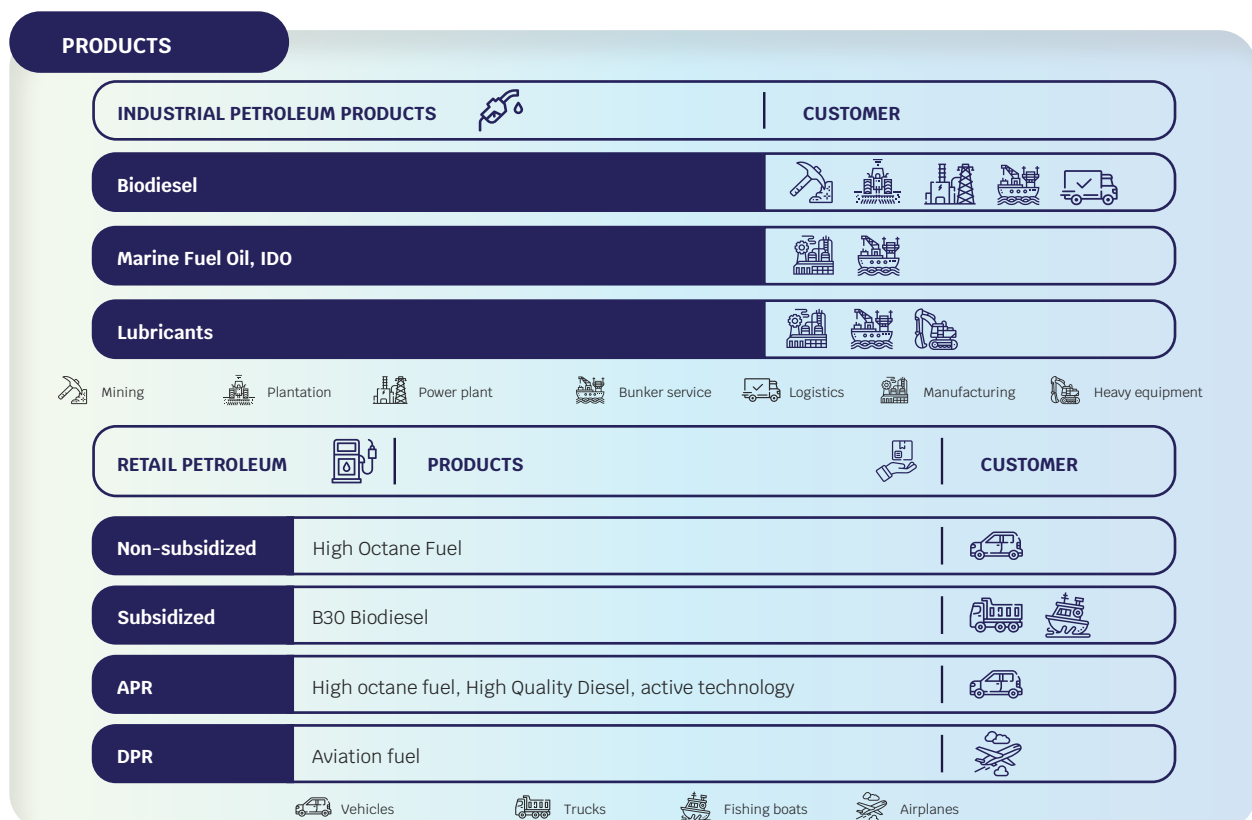
### 1. Industrial Non-Subsidized Petroleum

The Company has been developing the industrial nonsubsidized petroleum distribution business since 2005. The Company has set up wide logistics network facilities for distributing petroleum to customers in the mining, power generation, manufacturing, transportation and bunker industries. The Company has tank terminal facilities in several strategic port locations in Indonesia with total capacity reaching 820,400 KL.

One of the Company's strengths is its reliable supply chain management to ensure capacity, quality and timeliness of petroleum distribution to customers across the country. This is possible because the Company also operates petroleum carriers such as tankers, barges and Self Propelled Oil Barges (SPOB) to distribute petroleum by sea or river. The Company's vessels are specifically designed for shipping petroleum through shallow rivers with a depth of up to 2.7 meters in the Kalimantan region. The Company also owns 250 trucks to deliver products throughout Indonesia. Since late August 2018, the Ministry of Energy and Mineral Resources announced a regulation to use Biodiesel in all industries and transportation with limited exceptions. Currently, for B30 distribution, AKR has received the largest FAME (fatty acid methyl esters) allocation quota for blending among private companies.

### 2. Retail Non-Subsidized Petroleum

Since April 2017, the Company has been working with BP to develop the retail fuel industry in Indonesia. This Joint Venture formed a company called PT Aneka Petroindo Raya, which operates under the name "bp AKR Fuels Retail". In an exclusive agreement, the two parties will develop and offer different experiences to consumers by utilizing the capabilities and expertise of both BP and AKR in the developing retail market in Indonesia. By the end of 2022, AKR has successfully opened 36 bp AKR SPBU located in Jabodetabek, Surabaya, Gresik, Malang, Toll Rest Area, and plans to open more in the future in Indonesia. The retail sector will be a pillar to support future business growth in the fuel segment.





### 3. Retail Subsidized Petroleum

Due to its capacity and experience in distributing nonsubsidized fuels, the Company has been assigned by the BPH Migas to distribute subsidized fuels since 2010 through Motorized Vehicle Refueling Stations (SPBKB) and Fisherman Refueling Stations (SPBN) under the AKRA SOL brand, a Biodiesel product. The Company operates SPBKB and SPBN outlets spread across various regions in Indonesia on the islands of Sumatra, Java, Bali and Kalimantan. Through its well-organized terminal network and a large transportation fleet, the Company has proven that it can be trusted and this will also strengthen the Company's position as one of the major players in the fuel distribution business. The Company regularly receives assignments to distribute Biodiesel from BPH Migas. In 2022 reporting period, the company successfully performed public service for operating supply and distribution of subsidized fuel for the 2018-2022 period. AKR also participates in the one price fuel program in the 3T (Outermost, Frontier, Disadvantaged) areas.

Products	
Product Type	Product
Industrial Non-subsidized Petroleum	<ul style="list-style-type: none"> <li>Biofuel (B30)</li> <li>Industrial Diesel Oil (IDO)</li> <li>Fuel Oil (FO)</li> </ul>
Retail Non-Subsidized Petroleum	<ul style="list-style-type: none"> <li>Gasoline RON 90, RON 92, RON 95</li> <li>High Quality Diesel</li> </ul>
Subsidized petroleum	<ul style="list-style-type: none"> <li>Biofuel (B30)</li> </ul>

### 4. Basic Chemicals

AKR is the main distributor for PT Asahimas Chemical and distributes basic chemicals including chlor alkali, solvents, acids, and organic and inorganic chemicals. The Company also trades and distributes basic chemicals from domestic and foreign suppliers to support its business, and during the 1970's the Company built the first storage tank terminal in Indonesia, establishing the Company as the leading chemical distributor with the largest market share in Indonesia. In addition to its adequate infrastructure, the Company is also strong in its integrated supply chain and logistics systems. The combination of a strong infrastructure and supply chain and logistics has earned the trust of many local industries including metal refinery (smelter), consumer goods, the textile industry, glass and others that required basic chemicals.



## 5. Lubricants

The Company develops the lubricant business through the subsidiary of PT Anugerah Krida Retailindo, PT Anugerah Lubrindo Raya (ALR), established on February 7, 2019. ALR carries out business in trading and distribution activities of lubricants for the industrial, marine, mining and commercial vehicle with Castrol brand.

## 6. Aviation Fuel

The Company established a JV company to distribute aviation fuel in Indonesian airports. In November 2016, the Company announced the signing of a joint venture with Air bp. The Joint Venture formed a company called PT Dirgantara Petroindo Raya (DPR). In August 2019 PT Dirgantara Petroindo Raya officially opened the first Aviation Fuel depot (Aircraft Filling Depot) at IMIP special airport in Morowali, Central Sulawesi and Cibubur. The Company became the first private company to distribute aviation fuel in Indonesia.

## 7. Gas

On August 4, 2021, the Company and PT Bayu Buana Gemilang (BBG) signed an agreement to establish a joint venture company for natural gas distribution activities. PT Berkah Buana Energi (BBE) was established to carry out construction, management and development of gas distribution networks via pipelines from gas source locations to customers. The initial activities of the JV Company will be focused on developing business in the JIPE, Gresik, East Java SEZ to serve the demand from JIPE industrial tenants. AKR has 65% ownership and BBG 35%.

## Logistic Services

The Company owns adequate logistics infrastructure such as warehouses, storage tanks, ships to transport trucks. This enables the Company to offer an efficient logistic and distribution infrastructure to third parties by providing effective and reliable bulk cargo management services in major ports in Indonesia.

Through its subsidiary, PT AKR Transportasi Indonesia, the Company provides land transportation services to support the logistics and distribution services and through PT AKR Sea Transport, the Company provides large vessels that are used to deliver products to consumers, and also serve third parties. The Company continues to develop the infrastructure needed to receive, store and transport products.

The Company owns a 51% stake in Jakarta Tank Terminal, a joint venture with Vopak that focuses on operating an independent BBM storage tank terminal of 350,000 cbm in Tanjung Priok port. JTT owns one of the largest private tank terminals in Indonesia well- equipped with additional facilities including piers and submarine pipeline. JTT contributes to the Company's fuel distribution capability. JTT is also the owner of independent tank terminal with clients from leading oil companies.

Products	
Product Type	Service Type
Jasa Penanganan Barang Curah	Bulk Handling Services
Jasa Penanganan Peti Kemas	Container Handling Services
Transportasi Darat dan Laut	Land and Sea Transportation
Tangki Penyimpanan	Tank Storage
Vendor Managed Inventory	Vendor Managed Inventory
Pergudangan	Warehousing
Jasa pelabuhan melalui perusahaan afiliasi PT BMS	Port services through affiliated PT BMS

The Company also offers a Vendor Managed Inventory (VMI) system to the primary customers. The Company manages the Company's petroleum supplies, where the customers only pay according to usage. The Company will ensure the availability and efficiency of inventory management for these customers. VMI is a form of Company's commitment to provide added value to customers.



## Manufacturing

The Company's manufacturing segment produces high-quality wood adhesives through its subsidiary, PT Arjuna Utama Kimia (Aruki), in Surabaya, East Java. Aruki supplies adhesives to local companies in the wood and paper industry.

Products		
Product Type	Brand Name	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
Polyachrylamide Monomer (PAM) Resin	HOFMANN	High performance dry strength enhancement resin for paper
Polyachrylamide 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 Estate

As part of its expansion strategy, AKR is currently investing in the Java Integrated Industrial and Port Estate (JIPE) in Gresik, East Java, to provide logistic and energy solutions for industrial customers. JIPE features a deep seaport integrated with a large industrial estate with good interconnectivity to the fast-growing province of East Java. With a total area of around 3,000 hectares, the project will be one of the largest integrated industrial and port estates in Indonesia. The total area under development is 1,761 hectares of land for the industrial estate, 406 hectares of land for the seaport and 800 hectares of residential and commercial space being developed by an affiliate of PT AKR Corporindo Tbk.

As JIPE was awarded special economic Zone with theme of technology and manufacturing supporting downstreaming program of Government, JIPE is preparing world-class supporting facilities such as power plants, water supply including Sea Water Reverse Osmosis (SWRO), waste water treatment and IT. These facilities are expected to bring recurring income to the company in the future.

Products	
Product Type	Service Type
Kawasan Industri	Industrial Land
Port and Port Operator	Port and Container Service
Utilities & Infrastructures	<ul style="list-style-type: none"> <li>• Power Plant</li> <li>• Water Treatment Plant</li> <li>• Waste Water Treatment Plant</li> <li>• Gas</li> <li>• Fiber Optic</li> </ul>



## Market Areas

The Company is a provider of logistics services and supply chain solutions for energy and chemicals in Indonesia. In carrying out its operations, the Company is supported by extensive infrastructure and logistics networks. The Company owns storage tanks and distribution terminals in 17 ports throughout Indonesia. The Company also has a complete logistics fleet covering ships and trucks delivering fuel and basic chemicals, and has served thousands companies and industries throughout Indonesia. The Company distributes Biodiesel dan Fuel Oil to several customers of various industrial sectors including commercial, mining, power plants, manufacturing, development, fisheries, bunkers etc. as well Euro 4 standard fuel to the retail sector through its retail outlets.

The Company is also developing the non-subsidized retail fuel business and avtur by collaborating with bp Global, from the retail fuel side the Company is conducting a joint venture called bp-AKR, and now operates 36 bp-AKR gas stations located in Jabodetabek, Surabaya, Malang, and toll rest areas. For avtur, the Company has established a joint venture Air called PT Dirgantara Petroindo Raya (DPR) and already has two avtur depots in Indonesia.

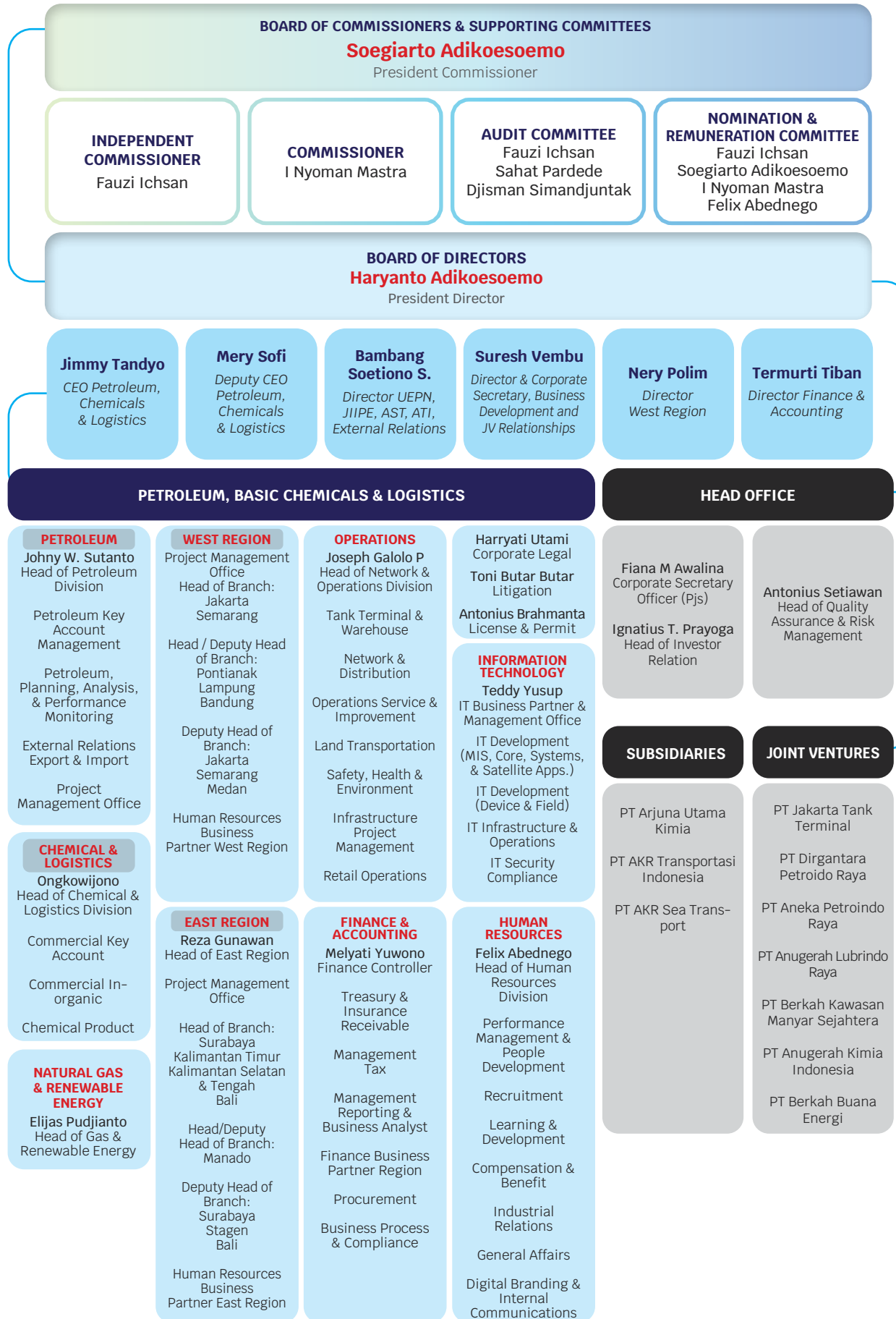
Through the subsidized retail segment, the Company can distribute Biodiesel to motorized vehicles and fishermen. AKR sells Biodiesel and RON 92 gasoline to motor vehicles and fishermen on the islands of Java, Sumatra, Kalimantan and Sulawesi.

The Company's business activities for basic chemicals are related to trading and distribution. The Company acts as a distributor of international basic chemical producers in Indonesia. Basic chemical products are raw materials needed by many industries, such as the chemical, textile, pulp and paper industries, consumer goods, fertilizers, processed wood products, food, pharmaceuticals, alumina, and other industries.





## ORGANIZATIONAL STRUCTURE



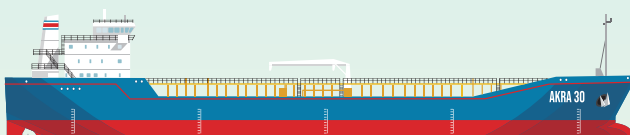
## CORPORATE VISION, MISSION & VALUES

# VISION

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

# MISSION

Optimizing our potential to build sustainable stakeholders value.





## CORPORATE VALUES

- Be Entrepreneurial
- Collaborate
- Reward for Performance
- Be Agile
- Empower Your Team
- Zero Tolerance



## MEANING BEHIND COMPANY LOGO

The Company's logo was formed based on the Company's vision to be the leading provider of logistic services and supply chain solutions for bulk chemicals and energy distribution in Indonesia. This vision has been leading the Company to achieve a superior performance of global standard through asset and resource management, partnerships and business strategies that drive a massive scale of growth.



1. The Company's logo is formed by making the letters of the Company's acronym, "AKR", as the epicentrum.
2. The acronym "AKR" is placed in a blue circle to indicate that AKR is a business entity with a worldwide reputation.
3. The red color in the letter "A" in the acronym "AKR" shows a ray of light that symbolizes the Company's sincerity and honesty in ensuring that its business activity is done responsibly.
4. The white color in the acronym "AKR" symbolizes a professional attitude and compliance to the applicable business authorities and always put forward the spirit to compete fairly and equally.



# MILESTONES

**1960**

Basic chemicals business was established in Surabaya

**1977**

The business was incorporated as PT Aneka Kimia Raya on November 28, 1977

**1994**

The Company conducted an IPO and its shares were listed on the Indonesian Stock Exchange on October 3, 1994, with "AKRA" as its stock code

**1980**

The Company commenced building storage tanks for basic chemicals and warehouses in several major ports in Indonesia

**2004**

- PT Aneka Kimia Raya PT Aneka Kimia Raya Tbk changed its name to PT AKR Corporindo Tbk on September 23, 2004
- The Company acquired the stock ownership of Sorini's and Khalista's Sorbitol Plant

**2005**

The Company became the first national private company to distribute non-subsidized petroleum in Indonesia

**2008**

The Company purchased its first fuel tanker, SPOBAKRA 10

**2006**

The Company acquired and commenced operations in river ports in China

**2010**

- AKR menjadi perusahaan swasta nasional pertama yang The Company became the first national private company to distribute subsidized petroleum in Indonesia through operation of the petrol stations for motorists (SPBKB) and for fisheries (SPBN)
- First Phase of PT Jakarta Tank Terminal, the Company's subsidiary engaging in petroleum tank terminal business at Tanjung Priok, was inaugurated in April 2010
- AKR divested its Sorbitol manufacturing Sorini

**2016**

- JIPE has been selected for government's KLIK program
- Signed JV for aviation business
- Commissioned JIPE port

**2015**

Handed over first part of Industrial Estate land

**2013**

AKR dan Pelindo The Company and Pelindo started to jointly develop Java Integrated Industrial and Ports Estate (JIPE) which integrates an industrial estate and deep-sea port located in Gresik, East Java



## 2017

- bp and AKR Signed Retail Joint Venture Agreement in Indonesia
- Castrol & AKR Signed Lubricant Distribution Agreement
- AKR divested its Guigang Port in China
- PT Berlian Manyar Sejahtera acquired a 76 year Concession

## 2018

- The Company handed over the land of Khalista for auction in China and completed the process of divestment
- JIPE was inaugurated as one of the national strategic projects
- JTT Phase 2A Project additional capacity of 100,000 KL officially began
- First bp AKR gas station opened in De Latinos, Serpong

## 2020

- AKR settled the payment of AKR Corporindo Sustainable Bond I Phase I Year 2017 amounting to Rp895 billion
- AKR received ISO 9001 - 2015 certification for Petroleum Trading Distribution Management System
- AKR signed an agreement to formalize a joint venture with Petronas Chemicals Group Berhad (PCG) to distribute chemicals product throughout Indonesia and inaugurated PT Anugerah Kimia Indonesia

## 2019

- Handover of land for the smelter project at JIPE
- Opening of Aviation Fuel JV Air bp AKR Terminal in Morowali, Central Sulawesi
- JIPE Industrial Estate, through PT Berkah Kawasan Manyar Sejahtera, obtained Integrated ISO Certification

## 2021

- Inauguration of the JIPE Industrial Estate as a Special Economic Zone for the Technology & Manufacturing Sector
- Determined the location of the largest copper smelter and Precious Metal Refinery in JIPE Gresik SEZ
- Established a JV company for the Natural Gas Distribution Business
- Signed a long-term land lease agreement and construction and operation of special ports for copper smelters
- AKRA is included in the main ESG Indices: SRI-KEHATI Index, ESG Quality 45 Index KEHATI, IDX KEHATI ESG Sector Leaders Index
- Anugerah Kimia Indonesia delivered the first shipment of basic chemicals to customers

## 2022

- AKRA stock split 1:5
- JIPE Gresik SEZ Installs Surya PLTS Roof to Support its Commitment to Use Renewable Energy
- Signing of the Power Purchase Agreement between BKMS and PLN to supply the electricity needs of the single line copper smelter project in JIPE SEZ
- AKR repaid the AKR Corporindo Sustainable Bonds Phase I Year 2017 Series B amounting to IDR 68 billion
- JIPE Receives Operational Certificate for Gresik SEZ
- 11 AKR storage terminals, 1 branch of AKR and JTT receive BLUE Proper Certificates
- Assignment for Subsidized Biodiesel Supply and Distribution for 2023 - 2027



## FINANCIAL HIGHLIGHTS

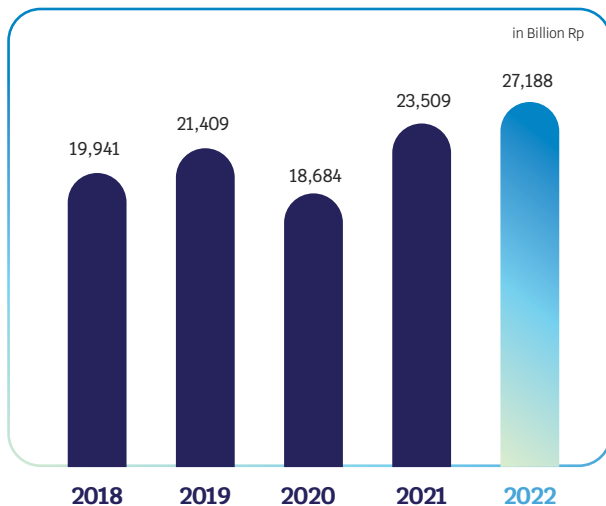
## Financial Position

In billion Rupiah

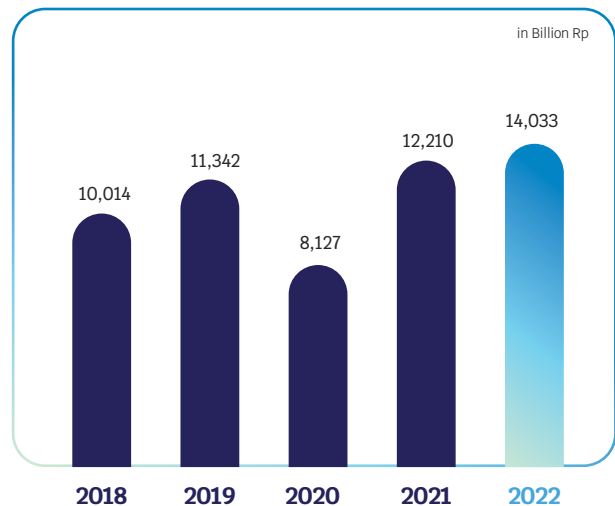
Description	2022	2021	2020	2019	2018
Net Working Capital	4,561	2,716	2,940	2,065	3,206
Investments in Associates	417	402	394	419	412
Current Assets	15,841	12,023	8,042	10,778	11,269
Non-Current Assets	11,346	11,486	10,641	10,631	8,672
<b>Total Assets</b>	<b>27,188</b>	<b>23,509</b>	<b>18,684</b>	<b>21,409</b>	<b>19,941</b>
Current Liabilities	11,280	9,307	5,102	8,713	8,063
Non-Current Liabilities	2,752	2,903	3,025	2,630	1,951
<b>Total Liabilities</b>	<b>14,033</b>	<b>12,210</b>	<b>8,127</b>	<b>11,342</b>	<b>10,014</b>
Equity Attributable to the Equity Holders of the Parent Entity	10,969	9,345	8,752	8,336	8,371
Non-Controlling Interests	2,186	1,954	1,804	1,731	1,556
<b>Total Equity</b>	<b>13,155</b>	<b>11,299</b>	<b>10,556</b>	<b>10,067</b>	<b>9,927</b>

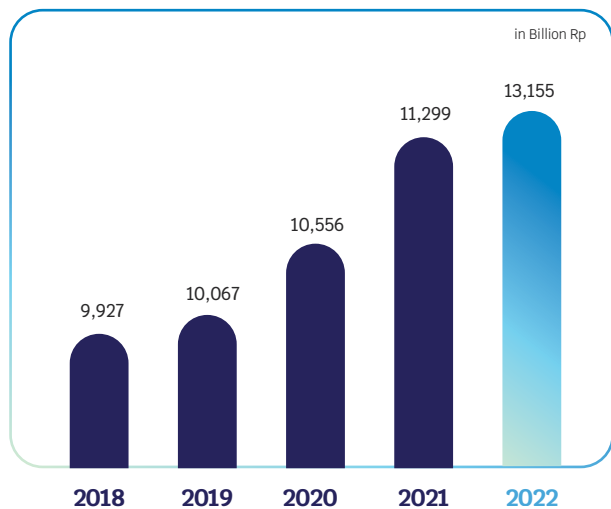
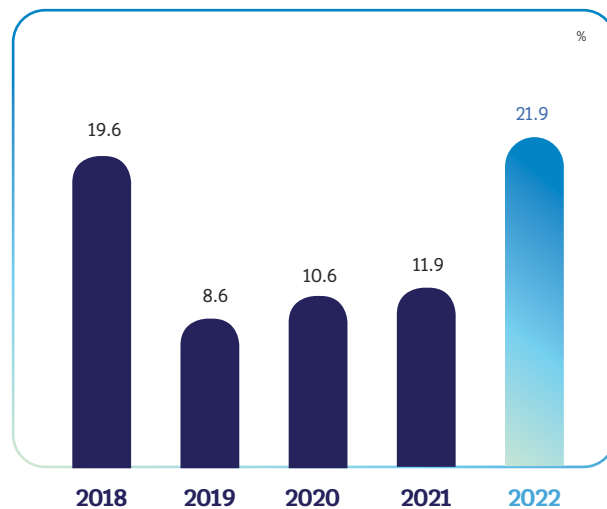


Total Assets



Total Liabilities



**Total Equity**

**Return on Equity**


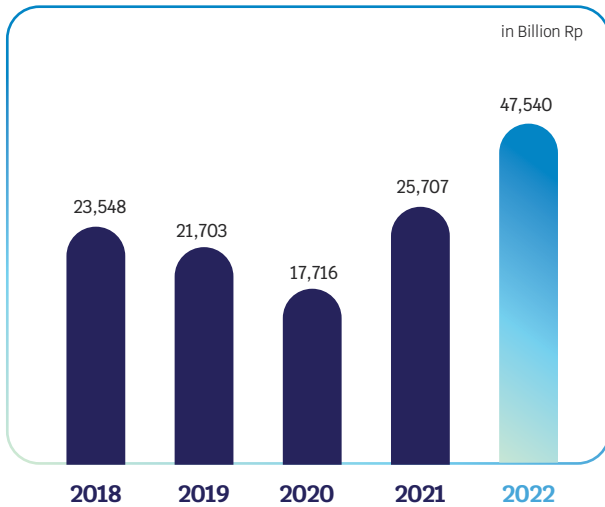
### Consolidated Statement of Profit or Loss and Other Comprehensive Income

In billion Rupiah

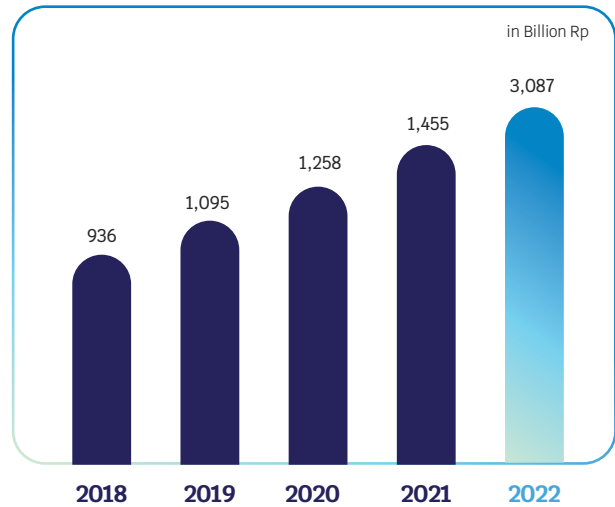
Description	2022	2021	2020	2019	2018
Sales and Revenues	47,540	25,707	17,716	21,703	23,548
Gross Profit	4,252	2,293	2,048	1,892	1,555
Operating Profit	3,087	1,455	1,258	1,095	936
Profit for the Year	2,479	1,135	962	699	663
Profit for the Year Attributable to Equity Holders of Parent Entity	2,403	1,112	925	717	1,645
Profit for the Year Attributable to Non-controlling Interests	76	23	37	(14)	(48)
Total Comprehensive Income for the Year	2,576	1,158	972	656	1,613
Total Comprehensive Income for the Year Attributable to Equity Holders of Parent Entity	2,453	1,126	929	688	1,644
Total Comprehensive Income for the Year Attributable to Non-Controlling Interests	123	32	43	(32)	(31)
Earnings per Share (full amount in Rupiah)	121.77	56.32	46.71	36.06	82.69



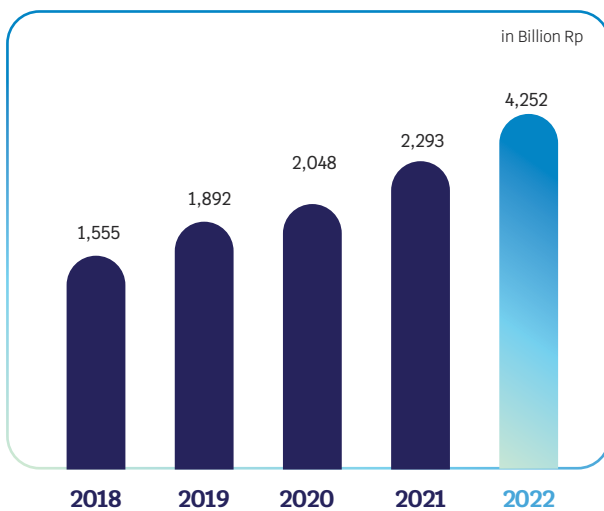
## Sales and Revenue



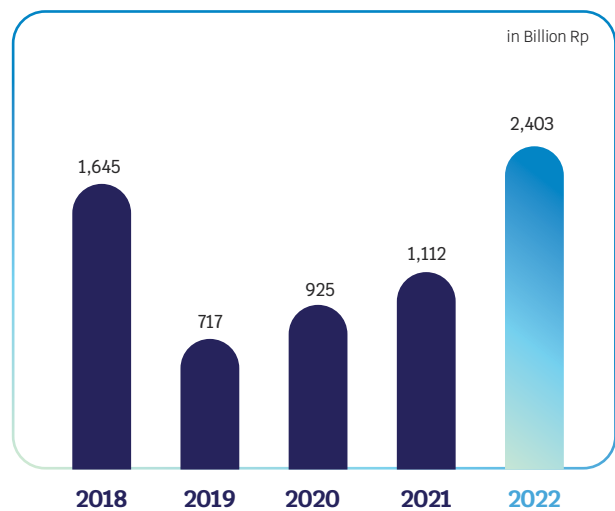
## Operating Profit



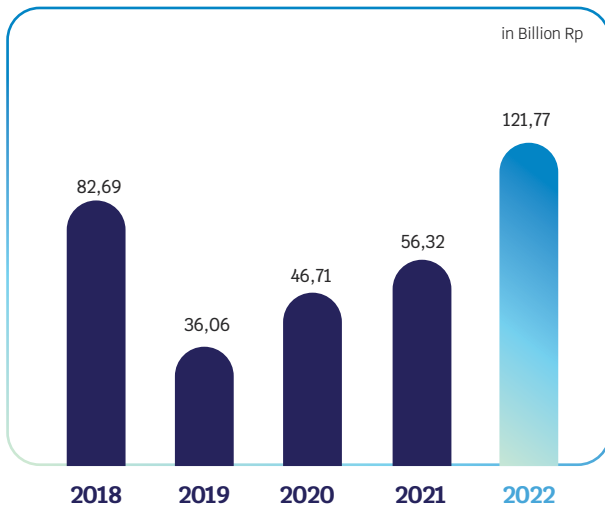
## Gross Profit



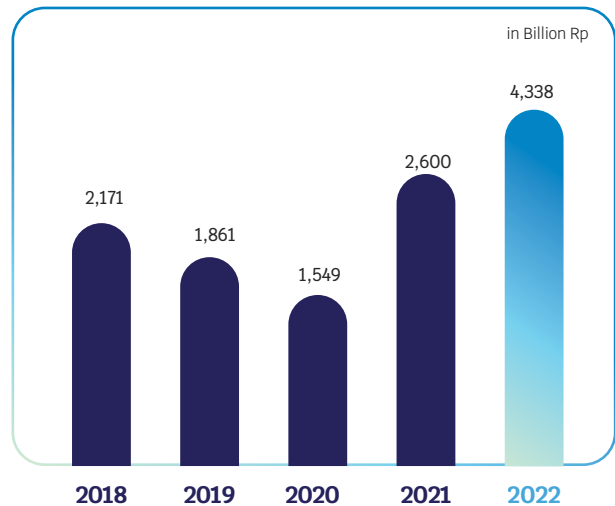
## Profit for The Year Attributable to Equity Holders of The Parent Entity



## Earnings per Share



## Cash Balance



**Cash Flow**

In billion Rupiah

<b>Uraian</b> <i>Description</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Net Cash provided by (used in) operating activities	<b>2,629</b>	2,945	1,067	660	(449)
Net Cash provided by (used in) investing activities	<b>(276)</b>	(208)	(139)	(779)	386
Net Cash provided by (used in) financing activities	<b>(873)</b>	(1,683)	(1,239)	(129)	351
Increase in net cash and cash equivalents	<b>1,479</b>	1,053	(311)	(248)	288
Impact of changes in foreign exchange	<b>258</b>	(2)	0	(62)	112
Cash and cash equivalents at the beginning of the year	<b>2,600</b>	1,549	1,861	2,171	1,771
Cash and cash equivalents at the end of the year	<b>4,338</b>	2,600	1,549	1,861	2,171

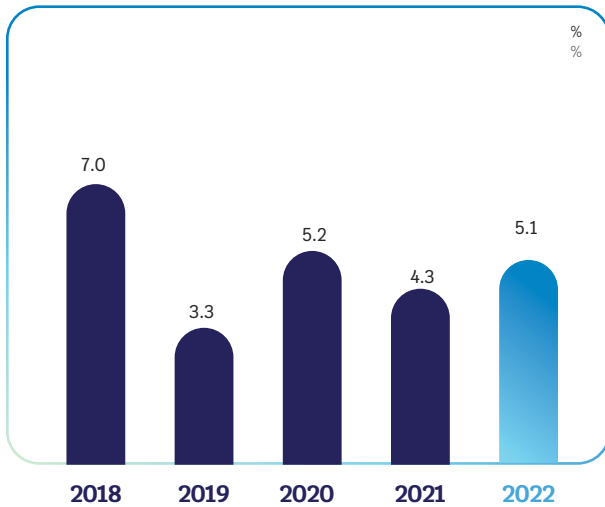
**Financial Ratios**

In billion Rupiah

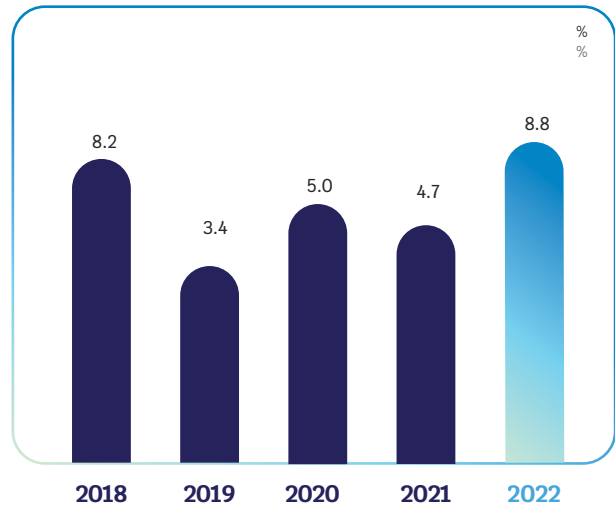
<b>Uraian</b> <i>Description</i>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Return on Assets (%)	<b>8.8</b>	4.7	5.0	3.4	8.2
Return on Equity (%)	<b>21.9</b>	11.9	10.6	8.6	19.6
Net Profit Margin (%)	<b>5.1</b>	4.3	5.2	3.3	7.0
Current Ratio (times)	<b>1.4</b>	1.3	1.6	1.2	1.4
Total Liability to Equity (times)	<b>1.1</b>	1.1	0.8	1.1	1.0
Total Liability to Asset (times)	<b>0.5</b>	0.5	0.4	0.5	0.5
Gross Profit Margin	<b>8.9</b>	8.9	11.6	8.7	6.6
Operating Profit Margin (%)	<b>6.5</b>	5.7	7.1	5.0	4.0
Total Asset Turnover (times)	<b>1.7</b>	1.1	0.9	1.0	1.2
Net Gearing Ratio (times)	<b>-0.12</b>	0.02	0.22	0.27	0.21
Price Earning Ratio (times)	<b>9.2</b>	12.6	10.9	21.7	9.8



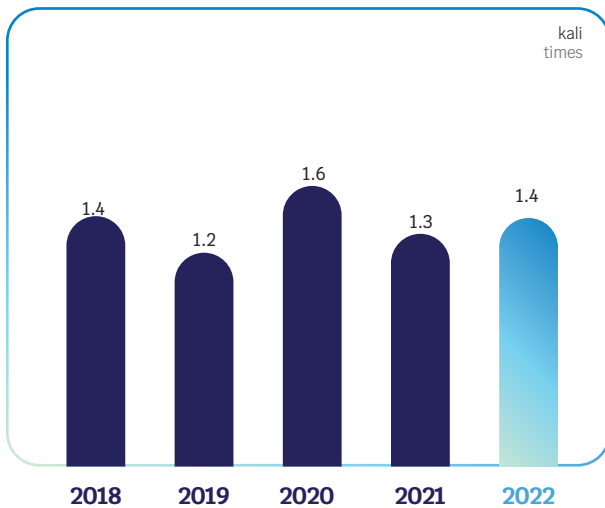
Net Profit Margin



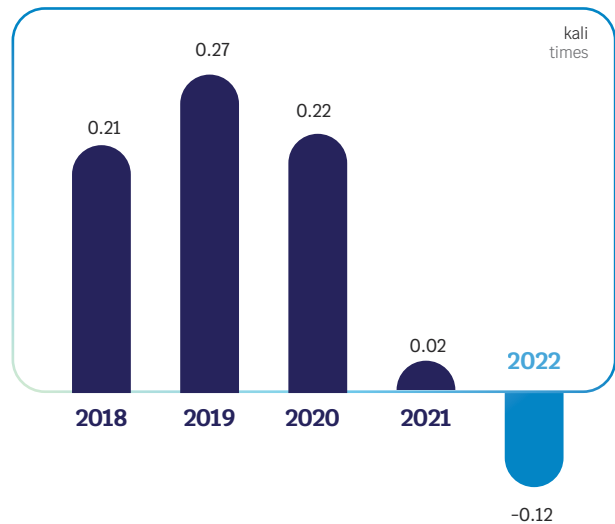
Return on Assets



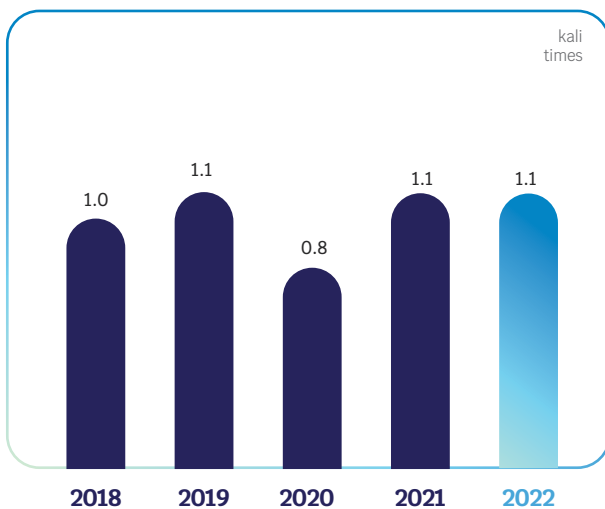
Current Ratio



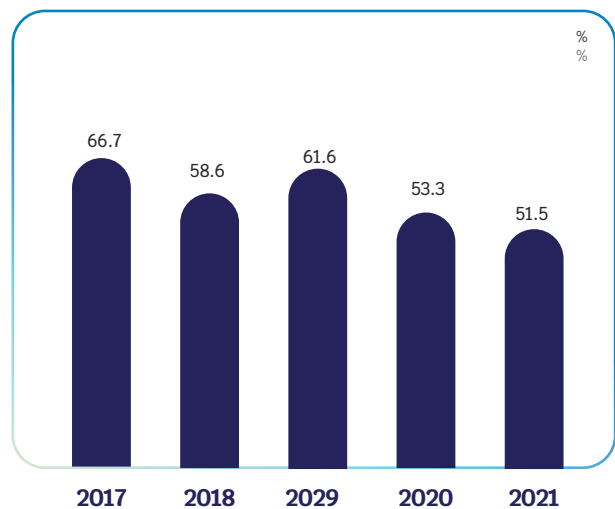
Net Gearing Ratio



Total Liability to Equity



Dividend Payout Ratio





# SHARE HIGHLIGHTS

## AKR Shares 2018-2022

\*) Adjusted to Stock Split

Description	2022	2021	2020	2019	2018
Market Capitalization (Billion Rp)	28,103	16,500	12,265	14,658	15,232
Highest Price (Rp)	1,580	944	798	1,175	1,315
Lowest Price (Rp)	685	554	281	844	644
Closing Price (Rp)	1,400	822	611	730	759
Trading Volume (Shares)	13,281,510,800	15,728,500,500	23,413,903,000	9,222,963,000	11,267,038,000
Outstanding Shares (Shares)	20,073,474,600	20,073,474,600	20,073,474,600	20,073,474,600	20,073,474,600

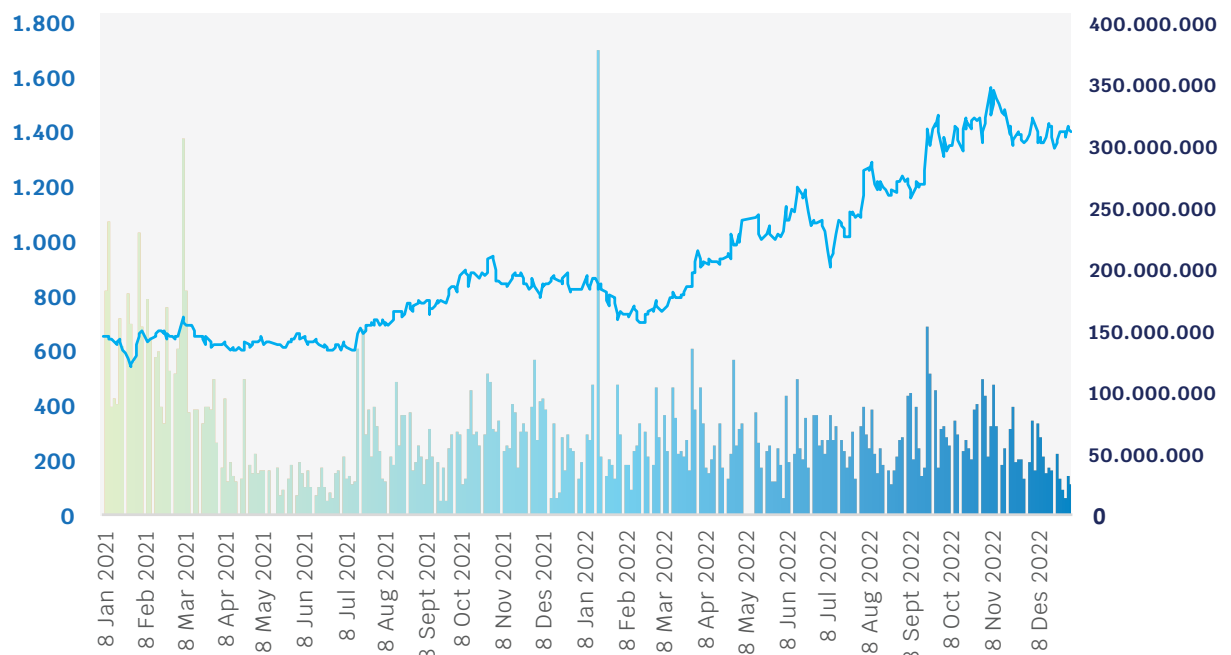
## AKR Shares 2022

Period	Share Price			Trading Volume (Shares)	Shares Outstanding (Shares)	Market Capitalization (Billion Rp)
	Highest	Lowest	Closing			
Quarter I	970	685	910	3,651,151,700	20,073,474,600	18,267
Quarter II	1,215	865	1,030	2,782,534,300	20,073,474,600	20,676
Quarter III	1,455	895	1,350	3,675,285,900	20,073,474,600	27,099
Quarter IV	1,580	1,310	1,400	3,172,538,900	20,073,474,600	28,103

## AKR Shares 2021

Periode 2022 Period	Share Price			Trading Volume (Shares)	Shares Outstanding (Shares)	Market Capitalization (Billion Rp)
	Highest	Lowest	Closing			
Quarter I	754	554	619	7,670,965,000	20,073,474,600	12,419
Quarter II	676	596	637	1,741,905,500	20,073,474,600	12,433
Quarter III	872	600	872	2,785,778,500	20,073,474,600	17,504
Quarter IV	944	790	822	3,529,851,500	20,073,474,600	16,500

## Stock Trading Chart





# BOARD OF COMMISSIONERS' REPORT

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The Board of Commissioners appreciates the strategic steps taken by the Board of Directors throughout 2022 in dealing with global economy dynamics, and in optimizing the potential of distribution business and industrial estate. The Board of Commissioners also fully encourages the establishment of ESG Committee in order to ensure the Company's sustainability strategy implementation.

**Soegiarto Adikoesoemo**

President Commissioner



**Dear Esteemed Shareholders and Stakeholders,**

Please allow us to express our gratitude to God Almighty for the performance of PT AKR Corporindo Tbk, which has gone through many challenges whilst carrying out its business activities in the supply chain and logistics industry. During 2022, the Board of Commissioners carried out its supervisory functions and duties and provided advice on the strategies and policies carried out by the Board of Directors when conducting the Company's business with full responsibility, as mandated in the Company's Articles of Association and applicable laws and regulations.

When carrying out its duties, the Board of Commissioners also ensured that when carrying out its operational activities, the Company referred to the established Business Plan, and ensured compliance with all applicable laws and regulations. We always strive to ensure the Company is managed professionally, in accordance with the interests of shareholders and other stakeholders.

When carrying out its role, the Board of Commissioners maintains objectivity and independence. Therefore, it is not involved in making operational decisions for the Company, except for matters regulated and stipulated in the Company's Articles of Association and laws and regulations.

In this report, we will report on our assessment of the Board of Directors' performance, our supervision of the strategy implemented, views on business prospects prepared by the Board of Directors as well as the implementation of good corporate governance carried out by the Company during 2022

**ECONOMIC CONDITIONS IN 2022**

*The geopolitical conflict between Russia and Ukraine that has continued since the beginning of 2022 had a huge impact on the global economy throughout 2022. This conflict caused disruption to global supply chains resulting in spikes in energy commodity prices, especially for oil and gas, and has driven up global inflation. The International Monetary Fund (IMF) predicted that the global economy would only grow by 3.4% in 2022, much lower than the previous year's growth of 6.0%.*

*The Indonesian economy was not spared, but nevertheless, was relatively more resilient, as demonstrated in the economic growth in 2022 which reached 5.31%, higher than the previous year's 3.70%. Indonesia's economic growth was mainly supported by domestic demand and excellent export performance, where the trade balance of USD 54.46 billion was its largest surplus in history.*

These economic conditions also impacted the Company's performance and business strategy in 2022, due mainly to soaring oil prices and supply chain disruptions that had a direct impact on the Company's business sectors.

**BOARD OF DIRECTORS' PERFORMANCE ASSESSMENT**

Overall, AKR showed good resilience in 2022. This was considered when evaluating the Board of Directors performance. After viewing the financial and non-financial conditions, the Board of Commissioners is of the opinion that the steps taken by the Board of Directors were appropriate.

The Board of Commissioners is of the opinion that the Board of Directors took effective steps to overcome the existing challenges. The Company has a competitive advantage in the form of a strong and proven business model, and the Board of Directors has consistently carried out and strengthened the Company's business model by implementing appropriate digitization programs to increase the Company's resilience in the face of the business challenges.

The Board of Commissioners also considers that the Board of Directors has succeeded in maintaining the stability and healthy growth of the Company's business, as well as maintained the trust of stakeholders through its many strategic innovations and initiatives, which have also been outlined in the short, medium and long-term business plans. The Board of Commissioners also considers that the Board of Directors and all of the Company's Management levels have used the industry challenges as opportunities to continue to improve the Company's performance.

During these challenging economic conditions, AKR recorded an encouraging financial performance. The Company's revenue increased to Rp47,540 billion while net profit grew by 116% to Rp2,403 billion. The Company's total assets also increased by 16% to Rp27,188 billion. Overall, this performance was above the target set by the Company for 2022.

The Board of Commissioners also appreciates the strategic steps taken by the Board of Directors throughout 2022. The Company was able to optimize the potential of its retail and industry fuel distribution business despite soaring world oil prices. Likewise in the industrial estate segment, the Company sold a record 44.5 hectares in JIPE, which officially operates as a Special Economic Zone.



In addition, the Board of Commissioners also appreciates the steps taken by the Company to pay great attention to the environmental, social and governance (ESG) aspects. This shows that the business development strategy implemented by the Board of Directors is not only oriented in the short-term, but also in the long-term to ensure the Company's sustainability. The establishment of the ESG Committee is the right step to assist the Board of Directors and the Board of Commissioners to monitoring and evaluating AKR's sustainability commitments, as well as other relevant and material ESG issues for AKR.

The Board of Commissioners views ESG as a very important factor for the Company's business sustainability. Therefore, the Board of Commissioners encourages the Board of Directors to continue to improve the application of ESG aspects in the Company's operations.

### **SUPERVISION OF STRATEGY IMPLEMENTATION**

The Board of Commissioners supervises and provides directives to the Board of Directors during the process of implementing strategies to achieve targets by taking into account the developing economic, industrial and business conditions. The Board of Commissioners also ensures that the strategies implemented by the Board of Directors are in accordance with the Company's medium and long-term work plans.

In carrying out its supervisory function, the Board of Commissioners monitors and reviews every strategic initiative carried out by the Board of Directors and assesses its suitability with the Business Plan.

The Board of Commissioners welcomes the Board of Directors' strategies for developing and launching digital innovations that will further simplify the operations and decision-making processes. The digitization program will be just one of the Company's competitive advantages over other businesses.

In another area albeit no less important, the Board of Commissioners ensures that the Company has been managed in accordance with applicable laws and regulations and the principles of Good Corporate Governance (GCG). The Board of Commissioners has ensured that the management of the Company is in accordance with the vision and mission and aspirations of the Shareholders while taking into account all stakeholders.

### **SUPERVISION MECHANISM AND FREQUENCY**

The Board of Commissioners has developed a close working relationship with the Board of Directors in accordance with the applicable laws and regulations. The Board of Commissioners supervises the Company's operations, including the implementation of the strategies by the Board of Directors.

When carrying out our supervision, the Board of Commissioners involves committees under the Board of Commissioners that also carry out supervision in accordance with the duties and responsibilities of each committee. In addition, the Board of Commissioners may also request and examine reports from the Board of Directors on matters of concern to the Board of Commissioners.

The Board of Commissioners and the Board of Directors hold routine joint meetings at least once every 4 months. During 2022, the Board of Commissioners held 4 meetings with the Board of Directors. In this forum, the Board of Commissioners requested explanations from the Board of Directors on the Company's performance achievement, and any obstacles it faces. The Board of Commissioners then expressed its view and provide advice to the Board of Directors on these matters.

### **VIEW ON THE BUSINESS PROSPECTS PREPARED BY THE BOARD OF DIRECTORS**

It is predicted that the global economic turmoil will not subside in 2023. The IMF predicts global economic growth will be in a range around 2.9%. However, Bank Indonesia predicts that the Indonesian economy will still grow well in a range of 4.5% - 5.3%. This prediction is supported by domestic demand, investments and export performance. Inflation is also predicted to decline in 2023, in line with controlled import price inflation and a stable rupiah exchange rate.

The Board of Commissioners feels that the Company has great potential to take advantage of the economic growth momentum and the development direction of the national economy, and this will be an opportunity for it to achieve sustainable business growth whilst still relying on the business model that has been proven capable of dealing with various economic conditions and situations.

The Board of Commissioners would like to advise the Board of Directors to stay focused on the Company's strengths, and optimize them to provide a better service to customers. In particular, the Board of Commissioners asks the Board of Directors to continue to encourage the marketing of the JIPE estate, which makes a major contribution to national development.

For the targets set by the Board of Directors for 2023, the Board of Commissioners considers these targets to be quite challenging but very realistic to achieve. The targets and strategies set by the Board of Directors are also in accordance with the Company's long-term and sustainability plans.

## VIEW ON THE IMPLEMENTATION OF CORPORATE GOVERNANCE

On the implementation of corporate governance (GCG) in 2022, the Board of Commissioners generally sees a strong commitment from the Board of Directors and AKR's management as a whole to improve the quality of governance within the Company. This can be seen from the results of the assessment of the Good Corporate Governance (GCG) implementation based on the ASEAN Corporate Governance Scorecard criteria that scored 84.45 with the predicate "Good".

Comprehensive GCG implementation is a challenge for all Company employees so consistent assistance is required from the Board of Commissioners to ensure the implementation effectiveness in every line of business in the Company and its subsidiaries. In this area, the Board of Commissioners encourages compliance and internal control to be implemented seriously, not only at the head office, but also in all business units of the Company in order to build an organization with integrity and accountability. The Board of Commissioners considers that GCG was one of the factors that enabled the Company to achieve very satisfactory results in 2022. Therefore, the Board of Commissioners encourages the Board of Directors to continuously improve the quality of GCG implementation in accordance with applicable laws and best practices.

The Board of Commissioners would also like to encourage the Board of Directors to continue to improve the implementation of the whistleblowing system (WBS), which is one of the Company's efforts to prevent fraud involving Company personnel at all levels. The Board of Commissioners and the Audit Committee closely monitor the WBS and our assessment is that it has functioned properly.

When supervising the WBS function, the Board of Commissioners through the Audit Committee always conducts regular reviews with the IAU on the implementation of the WBS and the follow up on reports received. Reports proven to be true based on audit results are followed up.

## PERFORMANCE ASSESSMENTS OF COMMITTEES UNDER THE BOARD OF COMMISSIONERS

The Board of Commissioners appreciates the efforts made by our committees to increase the Board of Commissioners' duties and functions effectiveness in 2022. All of the committees have performed properly and upheld high standards of competence and quality.

During 2022, the Audit Committee that is responsible for internal control assisted the Board of Commissioners in supervising the internal and external audit functions and ensuring compliance with applicable laws and regulations in the implementation of good corporate governance. During 2022, the Audit Committee held 8 Internal meetings, and 8 meetings with the Internal Audit Division, and provided its recommendation on the external auditor for the audit of Company's 2022 financial statements.

The Nomination and Remuneration Committee provided recommendations to the Board of Commissioners on remuneration policies in the Company as a whole. The Nomination and Remuneration Committee held 3 meetings during 2022, which included matters related to remuneration policies and mapping benefits for employees.

## CHANGES IN THE BOARD OF COMMISSIONERS COMPOSITION

In 2022, the Company's Board of Commissioners composition did not change, and remained as follows:

President Commissioner	: SoegiartoAdikoesoemo
Commissioner	: I Nyoman Mastra
Independent Commissioner	: Fauzi Ichsan



### APPRECIATION AND CLOSING

We understand that AKR's performance and all of its achievements in 2022 could not have been possible without the support provided by all stakeholders. Therefore, the Board of Commissioners would like to express its deepest gratitude to the shareholders, business partners, employees and other stakeholders for their trust and support. We would also like to congratulate the Board of Directors on maintaining the business performance and for recording a solid financial performance, as well as to all the subsidiaries who contributed to the Company's performance during challenging times and against intense competition.

This is a continuous process, and the Board of Commissioners will continue to mandate that management and all employees work together and synergize with all other stakeholders, to produce the best service that exceeds customer expectations. In this area, the Board of Commissioners is committed to increasing its supervision and assistance to support the strategic steps prepared by the Board of Directors, we hope that all of the Company's people will always work optimistically for the progress of the Company.

Jakarta, April 6, 2023

On behalf of the Board of Commissioners

**Soegiarto Adikoesoemo**  
President Commissioner



## BOARD OF COMMISSIONERS



**Fauzi Ichsan**  
Independent Commissioner

**Soegiarto Adikoesoemo**  
President Commissioner

**I Nyoman Mastra**  
Commissioner



## BOARD OF DIRECTORS' REPORT

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In the midst of economic challenges and geopolitical crises, the Board of Directors remains fully committed to provide value to all stakeholders by being disciplined in implementing business model and being prudent in finance management while also maintaining sustainability.

The year of 2022 is a testament of the Company's business resilience and success in delivering consistent and sustainable performance.

**Haryanto Adikoesoemo**

President Director

**Dear Esteemed Shareholders and Stakeholders,**

We give thanks to Almighty God for his grace and blessings that enabled PT AKR Corporindo Tbk management to once again deliver an excellent performance. Despite the challenging economic conditions, the Company recorded a solid performance and delivered sustainable growth. Once again, this reflects the resilience of the Company's business model during the many economic dynamics..

On this occasion, allow us to submit our accountability report on the Company's management during the 2022 fiscal year together with the financial statements audited by the Public Accounting Firm Purwantono, Sungkoro & Surja (Ernst & Young Global Limited) with an opinion of fair in all material aspects.

**ECONOMIC OUTLOOK 2022**

The global economy has passed through several dynamic situations since the Covid 19 pandemic. In 2022, global economic growth continued to slow down, triggered by the Russia – Ukraine conflict that started at the beginning of the year, altering expectations of research and financial institutions globally. One of the main impacts of the Russia-Ukraine conflict was energy scarcity, especially oil and gas, so prices surged in early to mid-2022 and led to increasing global inflation.

Despite these conditions, the Indonesian economy demonstrated solid growth reaching 5.3% in 2022. Indonesia's economic growth was mainly driven by domestic consumption and excellent export performance. Indonesia's trade balance in 2022 recorded a significant surplus of USD54.46 billion, the highest ever recorded.

However, the domestic inflation rate jumped significantly to 5.5% from 1.9% in 2021. An increase in VAT, and an increase in subsidized fuel prices were factors that pushed up inflation.

In response to this, Bank Indonesia adopted a policy to gradually increase the benchmark interest rate, the BI 7 Days Repo Rate, to 5.5% by the end of 2022. This policy resulted in a slowdown in lending at the end of 2022.

Despite these dynamics, the company fully committed in providing value to all stakeholders with discipline and prudent manner in conducting business model and financial management.

**STRATEGIC CHALLENGES AND POLICIES**

The company believes necessary challenges will lead to great opportunities. As an end-to-end supply chain logistics company that facilitates trade and commerce through its infrastructure and intensive marketing, AKR's position is critical during supply chain disruptions. The fluctuations in oil prices during the year were well managed due to AKR's business model, where prices are passed on to customers. The Company's working capital and net open position were also well maintained, so they could generate a positive financial performance.

The company has established strong relationships with local and international supplier, securing deliverables of fuel and chemical products to customers, even during supply shortages that occurred in the first half of 2022. Furthermore, through improvement of information technology platform, AKR can monitor its inventory positions in real time manner, enabling the company to distribution products to customer on time and on demand

In the retail fuel business, the Company continued to expand the number of bp AKR stations improving the economic level. By the end of 2022, there were 120 AKR retail stations spread across Java, Sumatra and Kalimantan areas and 36 bp AKR stations around Greater Jakarta, Surabaya, Gresik, Malang, and toll road rest areas. In 2022, bp AKR also added high octane premium fuel – The Ultimate, which has the ability to clean the vehicle's combustion chamber to make them more efficient.

In the industrial estate segment, the Company continued to promote JIPE as a world-class integrated industrial estate that provides several benefits to the industry. By being designated as a Special Economic Zone (SEZ), the Companies in JIPE Gresik SEZ, can take advantage of the fiscal and non-fiscal facilities. JIPE Gresik SEZ is championing industrial growth and supporting downstream programs in Indonesia.

**AKR PERFORMANCE IN 2022**

The Company recorded a very encouraging performance in 2022, and exceeded management's expectations, which necessitated revision of the initial budget. The Company realized a 2022 net profit of Rp2,403 billion higher than revised budget, an increase of 116% above the 2021 net profit of Rp1,112 billion



The 2022 revenue growth that reached Rp47,540 billion, was driven by strong performances across all AKR business segments. Trading and distribution revenue grew 89% yoy to Rp44,698 billion, due to volume growth and higher average selling prices. In this segment, the Company recorded a gross profit growth of 86% to reach Rp3,444 billion. The logistics and manufacturing segment also recorded double-digit revenue growth of 16% to reach Rp1,693 billion.

The Company's performance was also accelerated by land sales in the JIPE industrial estate segment where in 2022 land sales recorded 44.5 hectares, exceeding the 2022 target of 40 hectares, and higher than land sales in 2021 of 14 hectares. The increase in revenue contribution from the industrial estate is a sign of the Company's success in monetizing its long-term investments in JIPE. With additional revenue of Rp172 billion from land leases for smelter projects in the JIPE Industrial Estate, and Rp47 billion in revenue from utilities, the JIPE industrial estate total sales amounted to Rp1,149 billion in 2022. Gross profit from the industrial estate in 2022 also increased by 65% yoy to Rp543 billion.

AKR consistently generated strong cash flow in 2022 with an EBITDA of Rp3,539 billion, so with good working capital management the Company could reduce overall loans. In 2022, the Company's assets grew by 16% to Rp27,188 billion, and equity increased to Rp13,155 billion from Rp11,299 billion in 2021. The Company's return on assets (ROA) and return on equity (ROE) also increased to 8.8% and 21.9% respectively, indicating that the Company's ability to generate profits is improving. The Company is now in a net cash position and has received a rating upgrade from a leading rating agency, PEFINDO Indonesia, who upgraded the Corporate and Corporate Bonds ratings to id AA with a stable outlook.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

The Company is increasingly paying more attention to the ESG aspects as a commitment to sustainable business performance in the long term. In 2022, The Company established an ESG Committee chaired by the Company's Independent Commissioner and President Director, who are tasked with formulating a sustainability strategy, program plans, policies, and a roadmap for the Company's sustainability. The Company has also established an ESG Task Force in each business segment so that the implementation of ESG aspects can be delivered.

In the environmental aspect, the Company made several improvements to the existing environmental standards at AKR's operational terminals and branches, based on PROPER. We are preparing our compliance with this standard by conducting workshops for representatives of each terminal and branch, as well as renewing the required experts' certifications. 13 of our operational areas have received Blue PROPER certification including the Bali, Ciwandan, Tanjung Emas Semarang, Nilam Timur, Nilam Utara, Pontianak, Stagen, Banjarmasin, Palaran, Bitung, Medan Gabion, AKR Lampung terminals, and the Jakarta Tank Terminal.

The Company is also continuing its participation in the national energy transition journey, and pays close attention to environmental and energy management through the following initiatives:

1. Increasing efficiency by using a digital system to track product and fleet locations, product conditions in terms of quantity, temperature, and other aspects. This will enable the Company to be more efficient in its energy use.
2. Complying with Indonesian Government's biodiesel policy as a cleaner energy transition in its distribution, and exploring initiatives to procure cleaner energy
3. Developing JIPE Gresik SEZ as a green industrial area by providing international standard facilities and benefits needed by industries in the estate, including electricity from Gas and solar panels, water management by zero water run off, SHE management based on ISO standards, and also ease of doing business with one-stop licensing.

We continue the Company's operational excellence with six zero targets as part of our efforts in mitigating the environmental impact of our operational activities. In addition, the Information technology being used to monitor the movement of the Company's truck fleet has helped to improve truck utilities, and reduce emissions by 41%. JIPE Gresik SEZ has also added roof top solar panels to provide renewable energy, and with the consumption of biodiesel and electricity from solar panels, the Company consumed 30,914 Gigajoules of energy from renewable energy sources. In total, the Company recorded stable carbon emissions compared to the previous year. By improving the Company's financial performance, and the efforts to maintain energy consumption, emission intensity decreased to 0.02 ton CO<sub>2</sub>/Rp Gross Profit, from 0.036 ton CO<sub>2</sub>/Rp Gross Profit.

In the social aspect, the Company continues to carry out corporate social responsibility (CSR) programs with a focus on three main areas, education, health, and community development. These include providing education assistance such as scholarships, repairing school buildings, improving public health through free medical treatment and health education programs, and also monitoring employee health and wellbeing.



AKR continues to encourage all of its subsidiaries to play an active role by contributing to the progress of the surrounding communities in the areas where they operate, through community development programs and creating job opportunities for the local communities. AKR's CSR funds in 2022 reached Rp22.9 billion for education, health, social, environmental, religious, and public facilities and infrastructure improvement programs.

The Company also pays great attention to the sports sector. The Company wants to contribute to advancing the world of national sports, one way by providing support for the sport of Wushu. To increase employees' awareness and knowledge of ESG aspects in the future, the Company organized cross-departmental workshops facilitated by the Corporate Secretary. These workshops were carried out based on the focus each ESG taskforce was given by the ESG Committee.

The Company's ESG performance is increasingly showing good improvements. The Company's risk score based on Sustainalytics decreased from 26.7 in 2021 to 25.6 in 2022 where a lower score indicates a lower ESG risk. This result brought the Company into the main ESG indices on the stock exchange, and it is now recognized as one of the ESG star listed companies.

## **HUMAN RESOURCES MANAGEMENT**

The ability of Human Resources who can reliably face challenges is becoming more crucial. For this reason, the Company continues to innovate and develop employee capabilities so they are always prepared to adapt to the fast-changing situations in an ever-increasing business. In addition, the Company continues to develop its HR capabilities so they can become competent and have values aligned with the corporate values.

In 2022, the Company encouraged its employees to be more agile and adaptive by facilitated training programs and sharing sessions, and also guided them on how to collaborate among different departments in their job area.

The Company also understands the importance of regeneration when creating future leaders. The Company continues its empowerment so that it can satisfy the needs of future leaders internally. In 2022, 5% of the employee staff level and above went through a promotion process. The Company has also opened up a management trainee program to accelerate young talent from the best graduates to become future leaders.

## **INCREASING THE ROLE AND CAPACITY OF INFORMATION TECHNOLOGY**

Information Technology (IT) plays a very important role in the Company's efforts to achieve sustainable business growth. Through the use of IT, the Company can create more effective and efficient business processes to give it a distinct competitive advantage. Therefore, AKR is committed to continuing to develop IT in accordance with the industry demands and the Company needs.

In 2022, the Company developed an information system that had a positive impact on the Company's performance, including the full utilization of Customer Relationship Management (CRM) in the Company's business, and the development of the Distribution Planning system that focuses on effective and efficient supply chain management, as well as prevention and handling of cyber attacks in accordance with the standards and directives from the National Cyber and Crypto Agency (BSSN).

## **COMPANY BUSINESS PROSPECTS**

The IMF predicts the global economy will slow down to 2.9% in 2023. The continuing geopolitical conflict between Russia and Ukraine, high inflation, and the increasing of interest rate will be challenges for the global economy in 2023.

In response to these conditions, the Company will remain focused on carrying out its business development in line with the business model followed by the Company to date. With the improving economic conditions, the Company has seen a positive signal that there will be an increase in demand from customers in 2023.

The Company sees opportunities from the Government's initiative to promote downstream and industrialization. The mineral downstream program in Indonesia opens up massive opportunities for the fuel and basic chemicals segment, The Company will supply products needed by metal processing and refining facilities.

The Company will optimize its JIPE Gresik SEZ marketing as it brings many advantages to encourage the creation of an effective and efficient downstream ecosystem. JIPE with its status as a SEZ also offers many advantages for tenants in terms of efficiency in logistics and utility costs, and the fiscal and non-fiscal incentives provided.

The largest single-track copper smelter project in Indonesia built at JIPE will attract industries related to copper products and their derivatives and will become part of the industrial processing ecosystem, including opening up industrial development opportunities related to clean energy and electric vehicles.



Overall, AKR Corporindo is currently at a new net profit level, and is entering the momentum of investment monetization in JIPE. The Company's management will continue to develop this business in a relevant manner by leveraging existing capabilities, and by taking into account ESG factors. By so doing, the Company will continue providing sustainable value to stakeholders, and facilitate trade and commerce, as well as encourage manufacturing growth in Indonesia.

### CORPORATE GOVERNANCE

The Company continues to improve the quality of its governance implementation in line with the prevailing laws and best practices, as the basis for providing sustainable added value to stakeholders including shareholders, employees, consumers, suppliers, business partners, regulators and the general public. On an ongoing basis, the Company continues to make improvements and refinements to its GCG implementation, related to the governance structure, processes and mechanisms based on the ASEAN Corporate Governance Scorecard, POJK No. 21/POJK.04/2015 and SEOJK No.32/POJK.04/2015, and the 2021 General Guidelines for Corporate Governance in Indonesia. GCG-related socialization, education and training activities for all employees are the steps taken by the Company to build their commitment to GCG implementation. Each governance organ has carried out its functions and duties properly in accordance with the applicable regulations.

Together, the Board of Directors and Board of Commissioner are actively involved in formulating Company strategies and policies, and providing directives related to the macroeconomic assumptions and Company objectives. The targets set can be adjusted to the current economic and business developments. Therefore, the Board of Directors also regularly monitors strategy implementation and target achievement. The Board of Directors also involves the Board of Commissioners in joint meetings when supervising the implementation of strategies and target achievements.

The Company also continuously delivers the best value to all its shareholders. The Company consistently distributes dividends to shareholders every year with a payout ratio of above 30%. In 2022, based on an Annual GMS Resolution dated April 28, 2022, the Company distributed cash dividends of Rp572,377,918,400.00, or 51.5% of the Profit for the Year Attributable to Equity Holders of the Parent Entity.

In addition, with the approval of the EGMS held on January 14, 2022 the Company carried out a 1:5 stock split initiative to expand the Company's retail investor base. This corporate action received a good response from the capital market, and the number of AKRA investors increased by 35% as of December 31, 2022.

In 2022, the Company was assessed on the quality of its 2020 GCG implementation based on ASEAN Corporate Governance Scorecard, and achieved a score of 84.45, above the average BigCap100 and mid cap scores. The report stated that our good corporate governance had gone beyond compliance with the minimum requirements, and had adopted some of the international standards required by ACGS.

Thanks to its achievements, Corporate actions, and the trust of all stakeholders, the market capitalization value of AKRA's shares increased 70% to Rp28.1 trillion in Q4 2022 compared to Rp16.5 trillion in Q4 2021. AKR's performance and corporate governance throughout 2022 was recognized in the number of awards AKR received at the national and international levels.

### CHANGES IN BOARD OF DIRECTORS COMPOSITION

In 2022, the Company's Board of Directors composition did not change, and remained as follows:

President Director	: Haryanto Adikoesoemo
Director	: Jimmy Tandy
Director	: Bambang Soetiono Soedijanto
Director	: Mery Sofi
Director	: Suresh Vembu
Director	: Nery Polim
Director	: Termurti Tiban

## APPRECIATION

*The Board of Directors would like to express its highest appreciation to our customers for their trust, loyalty and support, which supported the Company in delivering a very proud performance in 2022. The Board of Directors would also like to thank our employees who have worked hard in the face of the dynamic conditions of 2022.*

*The Board of Directors would also like to express its thanks the Board of Commissioners for their support and guidance, which greatly assisted management in achieving our targets. We would also like to thank all our stakeholders, including OJK and the Indonesia Stock Exchange.*

*Finally, the Board of Directors is committed to always providing sustainable value and upholding the rights of its shareholders and stakeholders, in line with the Company's values and GCG principles.*

Jakarta, April 6, 2023

On behalf of the Board of Directors



**Haryanto Adikoesoemo**

President Director





## BOARD OF DIRECTORS



**Suresh Vembu**  
Director

**Haryanto Adikoesoemo**  
President Director

**Bambang  
Soetiono Soedijanto**  
Director

**Termurti Tiban**  
Director



**Jimmy Tando**  
Director

**Mery Sofi**  
Director

**Nery Polim**  
Director



## OPERATIONAL OVERVIEW



### OPERATING SEGMENTS

The Company and its subsidiaries has business activities in 4 (four) operating segments including:

1. Trading and Distribution  
This segment distributes petroleum products and various types of basic chemicals such as caustic soda, sodium sulfate, PVC resin and soda ash.
2. Logistic Services  
This segment provides a variety of logistics services such as storage tank and warehouse rental, packing, loading and unloading, and transportation services, especially for liquid and solid chemical products in Indonesia as well as Fuel products.
3. Manufacturing  
This segment produces adhesives through its subsidiary, Aruki.
4. Industrial Estate  
This segment is a Business Group segment under BKMS, a subsidiary indirectly owned through UEPN. This industrial estate is part of the JIPE project developed between BKMS and BJT, a subsidiary.

#### Operating Segments Total Contribution to Consolidated Sales and Revenue.

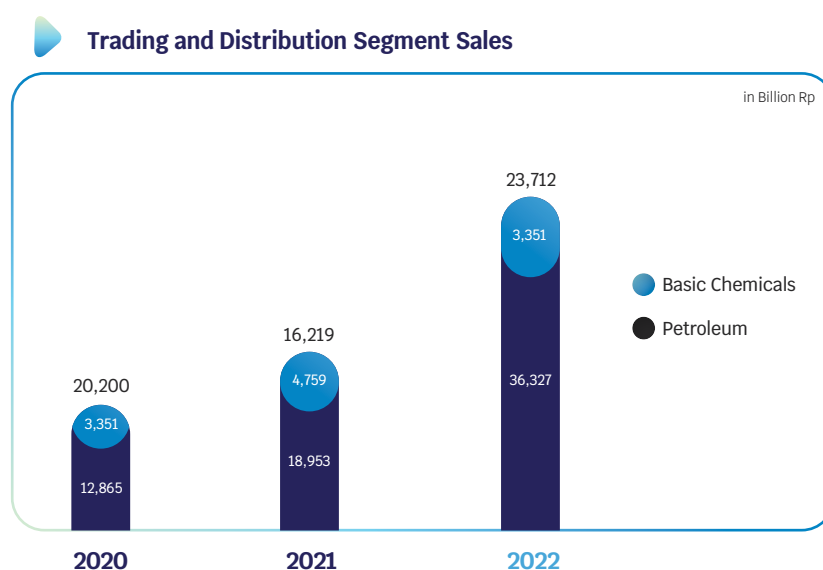
in billion Rupiah

Description	2022		2021		Increase/Decrease	
	Total (Rp billion)	Contribution (%)	Total (Rp billion)	Contribution (%)	Total (Rp billion)	Percentage (%)
Trading and Distribution	44,698	94%	23,712	92%	20,986	89%
Logistic Services	893	2%	772	3%	121	16%
Manufacturing	800	2%	684	3%	116	17%
Industrial Estate	1,149	2%	539	2%	610	113%
<b>Total Consolidated Sales and Revenue</b>	<b>47,540</b>	<b>100%</b>	<b>25,707</b>	<b>100%</b>	<b>21,833</b>	<b>85%</b>

At the end of 2022, the Trading and Distribution segment was still the largest revenue contributor to the Company, with 94%. Compared to the previous year, the contribution made by this segment has increased, where in 2021 it contributed 92%. In 2022, the Trading and Distribution segment recorded a very strong revenue growth of 94%, due to volume growth and significant increases in the price of oil and chemicals distributed internationally such as Caustic Soda, Soda Ash, etc.

The Logistics and Manufacturing Services segments also saw good growth in 2022 with the revenue of these segments increasing by 16% and 17% respectively. Significant growth was also seen in the Industrial Estate, where growth reached 113% driven by significant land sales and stable land and utility rental income. JIPE's attractiveness is increasing because of the uniqueness and status of the Special Economic Zone, which provide investors with even more competitive fiscal and non-fiscal benefits, so that the JIPE ecosystem for strategic industries in Indonesia can be formed properly.

## TRADING AND DISTRIBUTION



### Petroleum

The Company's business activities are limited to distribution only. Therefore, there is no data to report by the Company related to the production process or capacity.

Distribution is broadly divided into: 1) non-subsidized biodiesel and other petroleum products for industrial customers, 2) subsidized biodiesel for retail customers with a quota allocated by the Oil and Gas Downstream Regulatory Agency (BPH Migas) and 3) non-subsidized petroleum and non-fuel services for retail customers and 4) aviation fuel.

As a distributor of petroleum products across the Indonesian archipelago, the Company has developed a robust business model where the Company has efficient mechanisms to overcome economic and geopolitical upheavals, where changes in world oil prices and currency exchange rates are passed on to the customers. The Company also has a prudent risk management system and manages the net open position effectively.

In 2022 the Company ensured that the supply of essential fuel products could be distributed in a timely and efficient manner to industry customers throughout the Indonesian archipelago. This success was due to an extensive logistics and supply chain network covering Ports, Storage and transportation terminals equipped with an IT monitoring system. The Company can continue to operate effectively so that service quality is maintained even during a pandemic and global supply chain disruptions.

AKR has supported the Indonesian Government's biodiesel blending policy since 2018 when the Ministry of Energy and Mineral Resources announced the mandatory use of Biodiesel for all industry and transportation with certain exceptions to support the Trade Balance and the domestic CPO industry. The Company has also been entrusted by the Government for eleven consecutive years to distribute certain types of subsidized fuel. 2022 was the 5th year the Company was appointed as a P3JBT agent by BPH Migas for the 2018-2022 period. Our outlets are equipped with a technology system to monitor the products being distributed from the storage tanks or dispenser nozzles to the customer. A digital monitoring system is used to control the distribution of subsidized diesel so that it reaches the target consumers.



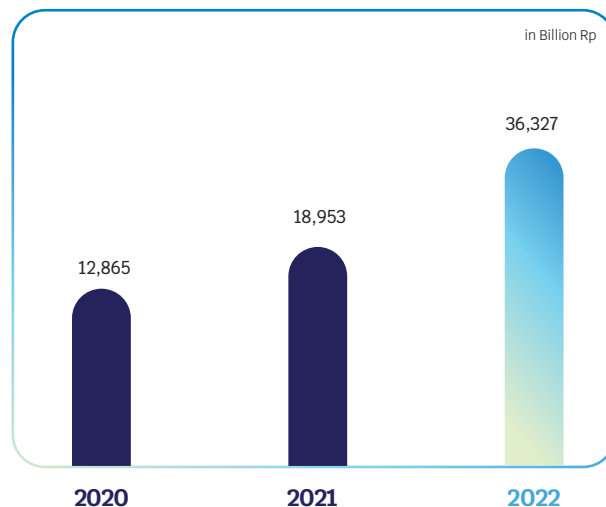


The Company and bp Global continue to develop its network of non-subsidized retail fuels in Indonesia. Up to January 2023, the JV opened 10 new outlets, so there are now 36 bp AKR gas stations opened in Jabodetabek, Surabaya, Malang, and toll rest areas. The Company has targeted to open more retail gas stations in the future in Indonesia, with an initial focus on big cities such as Jabodetabek, Bandung and Surabaya. Currently the majority of outlets are Company Owned and Company Operated (COCO), and future expansion will have a larger share of Dealer Owned and Dealer Operated (DODO).

The Indonesian government has reaffirmed its commitment to phase out low-octane fuel as part of its Net-Zero target. Indonesian consumers are also gradually shifting to higher-grade products. The JV provides higher-grade fuels to keep pace and grow as this market develops. In addition to fuel, retail outlets offer a superior customer experience by offering non-fuel services such as drinks, mini markets, and light maintenance vehicle facility with adequate parking.



### Petroleum Sales



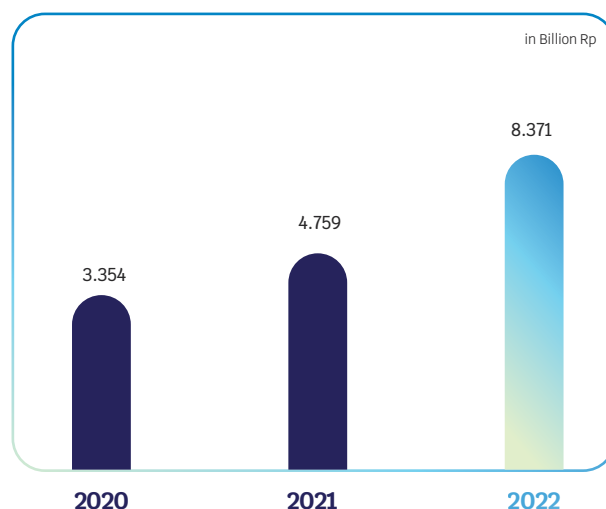
The Company's petroleum sales in 2022 amounted to Rp36,327 billion, up 92% from Rp18,953 billion in 2021, due to volume growth and higher selling prices. Fuel demand was driven by increased mining activities brought on by increased demand on energy and mineral. The Government's downstream program also boosted Indonesia's economic growth and contributed towards the growth in fuel demand from the Company.

### Basic Chemicals

The Company's business activities are limited to distribution. Therefore, there is no production or capacity data to report. The Company acts as a distributor for international basic chemical manufacturers in Indonesia. Basic chemical products include the raw materials needed by many industries, such as the chemicals, textiles, pulp and paper, consumer goods, fertilizers, refined wood products, food, pharmaceuticals, alumina, nickel and other industries.



### Basic Chemicals Sales



Basic chemical sales reached Rp8.371 billion in 2022, up 76% from Rp4.759 billion in 2021. This strong growth was driven by an increase in average selling prices driven by economic growth and demand growth from the smelter in line with the Government's support for the downstreaming program.

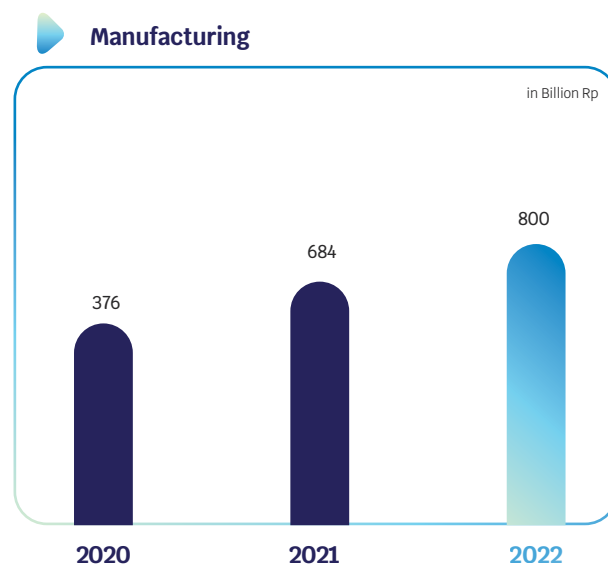
#### Trading and Distribution Segment Profitability

Trading and Distribution Segment	2022	2021	Growth
Sales and revenues	44,698	23,712	89%
Cost of sales and revenues	41,254	21,861	89%
Gross profit	3,444	1,851	86%
Gross profit margin	8%	8%	

Segment profitability increased by 86% as the Company's performance increased supported by a proven business model and improvements in IT. The Company is disciplined in setting commission-based pricing. The Company is focused on increasing productivity, efficiency and risk management to maintain and boost profits and increase competitiveness.

### Manufacturing

Until 2022, the Company has only one subsidiary engaged in the manufacturing business segment, namely PT Arjuna Utama Kimia (Aruki), which produces wood adhesives in Surabaya.



### Adhesives

#### Adhesives Production

Aruki produces high quality wood adhesives for the wood and paper industries with a total production capacity of 100,000MT. Aruki always ensures high quality products, and is committed to carrying out environmentally friendly business activities by applying the ISO 9001-2015 Quality Management System and ISO 14001-2004 Environment Management System.



## Manufacturing Segment Profitability

In billions of Rupiah

Manufacturing Segment	2022	2021	Growth
Sales and revenues	800	684	17%
Cost of sales and revenues	536	543	(1%)
Gross profit	264	141	87%
Gross profit margin	33%	21%	

Aruki's sales increased to Rp800 billion, an increase of 17%. In 2022, the wood industry became more active in production and exports in line with the economic conditions. With the price increases and the relatively stable cost of goods sold, Aruki's gross profit grew 87% to Rp268 billion, with the gross profit margin increasing from 21% in 2021 to 33% in 2022. Aruki's main focus was on cost control through good inventory management amid the rising prices.

## Logistic Services

The Company provides integrated logistic services to third party customers at major ports across Indonesia. The Company's logistic services business includes port operations, transportation, storage tank rental, warehouse rental, and others.

The Company provides storage tank rental services for liquid bulk products, such as liquid chemicals and Crude Palm Oil (CPO), as well as warehouse rentals for storage of dry bulk products, such as dry chemicals, sugar, fertilizers and animal feed. This rental activity is based on long-term contracts with major customers and suppliers.

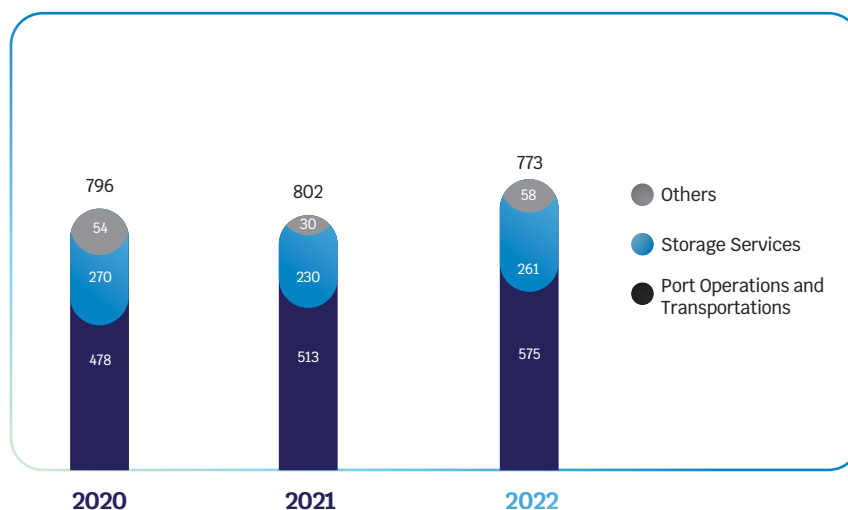
Company also provides port handling services, customs clearance services, loading and unloading services for goods/containers from vessels using Mobile Harbor Cranes, storage (warehousing), and bagging at ports in Medan, Surabaya, Semarang, Jakarta (Ciwandan and Priok) and transportation services using a fleet of trucks.

The Company's subsidiary, PT Jakarta Tank Terminal (JTT), provides rental services for fuel storage tank terminals, with a total capacity of 350,000 cbm in Tanjung Priok, Jakarta. JTT is one of the largest private tank terminals in Indonesia is equipped with jetties and underwater pipelines.

## Logistics Infrastructure Capacity

The logistics infrastructure capacity in Indonesia is presented in detail in the Logistics Infrastructure Network section at the beginning of this annual report.

## Logistic Services Segment Revenue





The logistics segment revenue increased by 16% to Rp893 billion from Rp773 billion in 2021. This increase was mainly due to the 12% growth in the port and transportation operations segment that reached Rp575 billion, compared to Rp513 billion in 2021. Tank rental services also increased by 13% to Rp261 billion, from Rp230 billion in 2021.

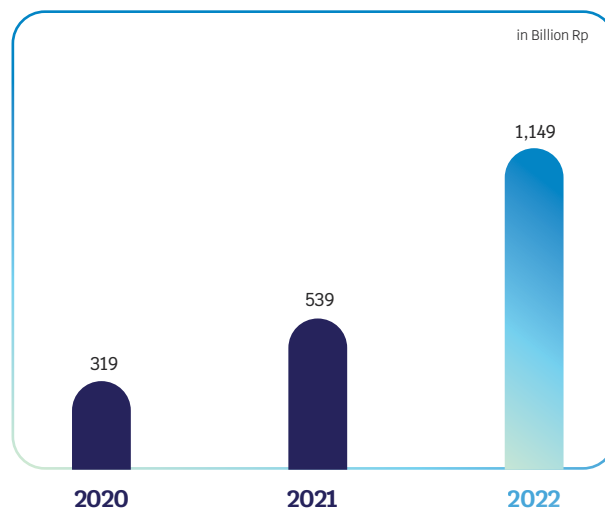
#### Logistic Services Segment Profitability

Dalam miliaran Rupiah  
In billions of Rupiah

Segmen Jasa Logistik	2022	2021	Growth
Sales and revenues	893	773	16%
Cost of sales and revenues without depreciation	679	599	13%
Gross profit (without depreciation)	214	174	23%
Gross profit margin without depreciation)	24%	23%	

The logistics segment profit in 2022 was -Rp 3 billion, a decrease in losses compared to -Rp 28 billion in 2021. Excluding depreciation, Gross Profit was Rp214 billion, an increase of 23% from 2021. This increase in depreciation was mainly due to the additional 100,000 CBM in Jakarta Tank Terminal storage tank capacity that had only started operating for more than 1 year.

#### Kawasan Industri (KEK Gresik JIPE)



In 2022, the industrial estate's revenue was Rp1.149 billion (Rp539 billion in 2021) and consisted of 1) industrial land sales of Rp931 billion; 2) industrial land rental income of Rp172 billion; 3) utility services (recurring income) of Rp46 billion. This segment recorded a gross profit of Rp543 billion.

#### Industrial Estate Segment Profitability

In billions of Rupiah

Industrial Estate Segment	2022	2021	Growth
Sales and revenues	1,149	539	113%
Cost of sales and revenues	606	209	190%
Gross profit	543	330	65%
Gross profit margin	47%	61%	



JIPE Gresik SEZ is one of the largest integrated industrial estates in Indonesia and provides superior connectivity with and integrated port and utilities. The 3,000 hectare industrial estate includes a logistics center and bonded facilities, as well as a multipurpose port for international and inter-island trade connectivity. This area is supported by a commercial center and residential areas. Located in Gresik, East Java Province, JIPE will become a leading strategic industrial hub in Indonesia and Asia Pacific.

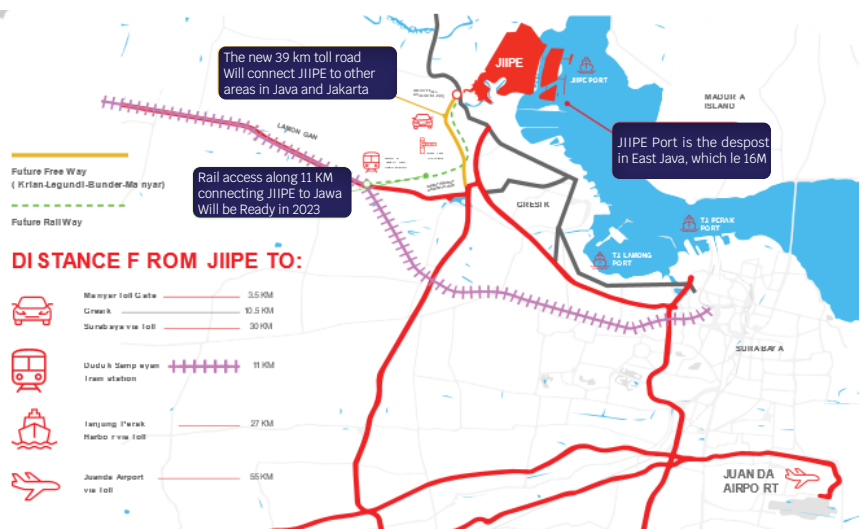
JIPE has geo-economic advantages and can accommodate industrial activities, exports, imports and other economic activities that have high economic value and are internationally competitive. JIPE is located in Gresik, only 24 km from Surabaya, the economic and investment center of East Java. JIPE was selected for its efficient logistics costs through connectivity between domestic and overseas markets by providing international standard facilities and infrastructure.



## Easy Access Creates Low Logistic Costs

JIPE enjoys strategic location at the mouth of the Madura Strait, the channel that connects Surabaya to Java sea. IPF port will be the deepest port in East Java with depth of -16 LWS, provides 4 piers with total berthing area of 6,200 m, JIPE port is able to cater large bulk carriers up to 100,000 DWT.

By having the multimodal connectivity, JIPE ensures the best supply chain flow at the most competitive costs.



JIIPE has been designated as a Technology & Manufacturing Special Economic Zone and officially named JIIPE Gresik SEZ. This was stipulated in Government Regulation (PP) No. 71 of 2021 dated June 28, 2021 which was signed by the President of the Republic of Indonesia, Joko Widodo. On November 20, 2022, the Gresik Java Integrated Industrial and Port Estate Special Economic Zone (KEK JIIPE) officially received an operational certificate based on the National Council for Special Economic Zones (SEZ) Chairman's Decree No. 1 of 2022 concerning Determination to Operate SEZ Gresik, and was ratified by the Coordinating Minister for the Economy Airlangga Hartarto as Chairman of the National Council. As an official Special Economic Zone, JIIPE is facilitated by the SEZ administration office that provides one-stop permit services, and other incentives and benefits including fiscal incentives such as lower income tax, customs tax and non-fiscal incentives such as easy passage of goods, and flexibility in employment, etc.

The designation of JIIPE as a SEZ makes JIIPE one of the most competitive Industrial Estates. JIIPE Gresik SEZ is a National Strategic Project that answers the needs of Industry 4.0, and is considered capable of providing multiple effects that impacts and contributes to the national economy. The SEZ National Council decided this assessment during an East Java SEZ Council meeting together with the National Council for Special Economic Zones (SEZ) through the stages of evaluating and assessing locations, land, infrastructure, facilities and infrastructure as well as the construction of controlling devices in JIIPE Gresik SEZ. JIIPE Gresik SEZ, which has received Special Economic Zone (SEZ) status since 2021, has met the requirements for location of activities, land, and infrastructure, and will continue to carry out the SEZ function as one of the strategies to encourage the economy, and officially be able to operate. The integration of JIIPE facilities, strategic locations and SEZ status will encourage the achievement of Government targets to reduce logistics and other operational costs, as well as make Indonesia an attractive investment destination.

#### Companies That Join in the Jiipe Industrial Area



**PT Clariant Adsorbent Indonesia**



**PT Nippon Indosari Corpindo Tbk (Sari Roti)**



**PT Waskita Beton Precast Tbk**



**PT Fertilizer Inti Technology (FIT)**

JIIPE Gresik SEZ provides clustering in line with tenant operational activities. This is determined based on PP No.7/2021 concerning the designation of JIIPE as a Special Economic Zone.

Currently 18 projects are running at JIIPE, including a single-track copper smelter with a capacity of 1.7 million tons of concentrate per year, claimed to be the largest smelter in the world. This smelter will also be equipped with a Precious Metals Refinery (PMR) to process anode mud with gold and silver content resulting from the smelting process. This project will establish an ecosystem to process copper derivative products and will increase the demand for utilities within the estate. This ecosystem will encourage

the development of the electric vehicle, battery, chemical, and other heavy industries that can use the materials from the copper smelting. Several cooperations were carried out to support the copper smelter operations in 2024 as JIIPE's anchor tenant. One was in 2022 when PT BKMS - JIIPE holding company and PT PLN Persero signed a 170 MVAPower Purchase Agreement (PJBTL) to distribute electricity to this project.

With the advantages offered, JIIPE Gresik SEZ has attracted many domestic and foreign investors. In 2022, JIIPE Gresik SEZ sold 44.5 hectares of land, bringing the accumulated total land sold and leased to 312.5 hectares.



### Utilities

JIIPE provides independent utility facilities to support tenant company operations, consisting of power plants, clean water supplies, waste management, gas pipeline connections, and telecommunication systems using fiber optic networks.

#### 1. Power Plants

JIIPE has a license to generate and distribute 515MW of electricity to tenants in industrial areas. Currently JIIPE has a 23MW gas-powered power plant and backup power from solar panels. The gas-powered power plant is equipped with a gas pipeline network, where the State Gas Company was one of the first gas suppliers to flow natural gas into the area. JIIPE is also commenced building a rooftop solar panel in 2022 with a capacity of 0.4 MWp (commissioning stage), which will be developed in stages until 2032.

By installing a rooftop solar panel in its industrial estate, JIIPE can save 483,917 kWh and reduce CO<sub>2</sub> by 451,978 kg each year. The amount of CO<sub>2</sub> is equivalent to planting 5,671 trees over 10 years and using 126,236 liters of gasoline in one year.



**Gas Powered Power Plant with  
Rooftop Solar Panel**

#### 2. Water Management

The first phase of a clean water treatment facility has been operating using a “Sea Water Reverse Osmosis” desalination system, with a capacity of 2400 m<sup>3</sup>/day, to accommodate industries that require a supply of clean water in their production process,

#### 3. Wastewater Management

JIIPE also has a Wastewater Treatment Plant with a capacity of 2,500 m<sup>3</sup>/day. The Wastewater Treatment Plant uses Bio Reactor Membrane technology that can ensure liquid waste meets Government regulation quality standards with minimal use of land and time. Waste is also reprocessed in the Ultra Filtration and Reverse Osmosis units to produce clean water for tenants and minimize natural extraction from natural water resources.

#### 4. Internet & Communication

In collaboration with leading telecommunications service providers in Indonesia, JIIPE provides fiber optic-based telecommunications networks and broadband internet. JIIPE has a firefighter team on standby 24 hours a day, 7 days a week, for the comfort and safety of all tenants in the JIIPE industrial estate.



**Water Treatment & Waste  
Water Treatment Plant**

### JIIPE Unique JIIPE Connectivity Mode

JIIPE is connected to sea, land and air transportation routes. The main route is accessed through a deep-sea port with a draft of -14 LWS, which can handle large vessels with a capacity of 100,000 DWT. This BMS Port has a concession from the Ministry of Transport to carry out port services at Manyar Terminal, Gresik Port, East Java for 76 years – until 2094. The services provided include multi-service ports & logistics for Freight, Containers, Cars/Vehicles, General Cargo, Yards Container, Multi Purpose, Fishing Industry, Liquid and Bulk Cargo, Bonded Logistics Center, and Offshore Maintenance.

In the future, JIIPE can also be accessed via the main Krian Legundi Bunder Manyar Toll Road, Surabaya Manyar Toll Road, and national routes which is in the final stages of construction and connectivity to JIIPE. Currently there is a study underway for a rail connection.



# HUMAN CAPITAL



AKR Corporindo was named the “Best Oil and Gas Company” at the 2022 Indonesia Business Awards event held on August 15, 2022 in Jakarta. This award was an appreciation to AKR as a company that successfully adapted to changes in the business environment during the pandemic era, and is consistent in implementing the right strategies to continue to provide a positive performance.

AKR’s success in winning this award recognizes the Human Resources (HR) management strategy carried out by the Company to date. By applying the Company’s Core Value “Be Agile”, all AKR employees are expected to adapt to and overcome challenges, including the challenge of building a business during a pandemic.

For AKR, good HR management is one of the Company’s key strategies in continuing to achieve sustainable business growth. The Company is very aware that HR is a very important factor in the Company’s continued efforts to provide added value to all stakeholders.

## HUMAN RESOURCES MANAGEMENT GENERAL POLICY

The Company continues to demonstrate its commitment to continue as a leading logistics & supply chain service provider in Indonesia through its HR management framework that helps create better performance and service quality.

The HR development process refers to the Company’s values: Be Entrepreneurial, Collaborate, Be Agile, Reward for Performance, Empower your Team, and Zero Tolerance. The Company applies the principle of equality, where all employees have the same opportunity to develop their career and contribute to the Company. Likewise in the education and training programs, the Company provides equal opportunities to all employees to participate in these programs based on their individual development needs to support a successful performance and career. These policies are continuously being evaluated and refined.

## HR MANAGEMENT GOALS FOR 2022

In 2022, to meet the medium and long term business targets, the HR Department as the Company’s person in charge of HR management and development, translated the HR 2022 management policies into human resource development goals.

There were four key goals in HR development in 2022:

1. Ensure the organization has the capacity to prepare internal and external manpower to fill the needs of existing positions, either due to turnover or to meet the human resource needs in developing the business.
2. Build a workforce in the Company with the same values as the Company.
3. Ensure the business goals are translated into the day-to-day tasks of the workforce, and employees have the ability to carry out these tasks.
4. Address the Company’s risk factors by Increasing employee compliance and welfare.



### HR DEVELOPMENT STRATEGY, KEY INITIATIVES AND WORK PROGRAMS IN 2022

To achieve the HR management objectives, the Human Resources Department has instigated strategies, key initiatives and sustainable human resources work programs. This long term strategy is important to build a strong human capital that requires a balance between speed and stability.

This strategy was also prepared by considering both internal and external factors as well as the direction of the Company's development strategy. The following explains the work program and strategic initiatives implemented by the HR Department in 2022.

### STRATEGY TO PREPARE THE WORKFORCE TO MEET THE NEEDS OF EXISTING POSITIONS

#### Comprehensive Workforce Planning Process

Manpower planning is the initial process in the Company's HR management. In this process, the Company maps out the employee needs to support the implementation of the Company's short-term and medium and long-term strategies and plans.

Planning employee needs begins with preparing a budget, based on the business target plans and calculating the employee requirements for the next year. Another important process is to evaluate the existing organizational structure, to ensure it is still relevant to achieve this year's business goals. During this process, several efficiency opportunities were found including:

1. Expansion (enlargement) where an existing position undergoes a change in scope.
2. Elimination, where a position no longer provides value like in the past due to changes in business strategy.
3. Modification, where a position needs a change in the reporting line, to that decision-making can be accelerated.
4. Switching, where existing resources are transferred to other branches or to Head Office to increase efficiency and profit.

These efficiency opportunities are carried out by involving all levels of the Board of Directors through a consultation and coordination process, in accordance with the Company's Be Agile value.

#### Internal Workforce Fulfillment

Based on the business development, or to replace an employee who has resigned, the department head must complete an employee request form containing job descriptions, qualifications, performance indicators and calculation of employee workload. The form must be approved by the relevant HR Department and Division Heads, and finally reviewed and approved by the Business Unit CEO.

To fulfill the required workforce, the Company prioritizes internal candidates by providing its employees with opportunities to experience the process of transfers, rotation or promotion. The HR Department with the Head of the relevant Division will carry out a Fit and Proper test to ascertain the employees' ability based on the Company's competency standards. The Fit and Proper Test ensures that all promoted candidates will understand the duties and responsibilities of the next position, the key performance indicators, and a clear work program when occupying their position. A minimum of two director level personnel will attend every Fit and Proper Test.

#### Recruitment

When the evaluation process for employee requests shows there no internal candidates fit the required competency standards, AKR will conduct openly and transparent external recruitment. The Company offers equal opportunities for all applicants without discriminating against gender, group, race, ethnicity or religion, as long as they meet the competency requirements set by the Company.

Through this process, the Company will ensure they recruit employees who are not only suitable in terms of skills, but also have an attitude in line with the Company's values.

Since 2020, the Company has adjusted the recruitment process in line with the social restriction enacted during the pandemic by conducting digital recruitment. The Recruitment Digitalization Process is part of the Company's grand strategy to leverage technology and social media. This digitalization process begins with searching for candidates using digital media (e-sourcing), enabling candidates who are interested in applying to AKR to directly send their application letters through the AKR career web, which is connected to e-recruitment. Data from candidates who apply will be directly connected to the Human Resources Information System (HRIS). The recruitment team also uses social media such as LinkedIn and Instagram to spread information about job vacancies.

The process of recruitment and selection of employees within the Company goes through the following stages:

1. Recruitment Department conducts the sourcing process by looking for candidates that match their qualifications through all available channels, including e-sourcing through social media and the AKR website.
2. At the selection stage, candidates will be called to pass a series of psychological assessments (aspects of behavioral intelligence and work attitudes) and interviews using a competency approach. The types and stages of assessment, including the panel interview process, are adjusted to the position level required. All assessment processes and interviews are carried out digitally.
3. The company will also conduct a document verification process and checks references for employees who have passed the selection stage. After complete verification, the candidates will follow a Medical Check Up process. After an employee is declared fit to work, they will undergo a job offer process and sign a work agreement.

### New Employee Training

The new employee training program is the main focus of the human resources department. The Company believes that when newly joined employees receive sufficient guidance and quality training, they will be able to contribute more quickly to the Company. The Company's strategy is to accelerate the learning curve through an Onboarding program.

Candidates who have become new employees are required to take part in the NEOP (New Employee Orientation Program). The NEOP will explain the Company's vision, mission, background, regulations and information needed by the new employees. Employees will also be provided with an explanation of their duties and responsibilities, performance indicators and on the job training so they can quickly contribute to the Company.

During the employee's probation period, the Recruitment and Training department will hold regular meetings with new employees and their superiors, aimed at evaluating their learning progress, and also removing any obstacles that exist in their work. Based on the evaluation results in 2022, this program has shown annual improvements, and the training process has become more systematic due to the collaboration between the training department and direct supervisors helping to create the onboarding programs.

### Recruiting Future Leaders

To anticipate the Company's fast growth, the Company has started a Management Trainee (MT) program. This is an accelerated program to develop middle management within 1-2 years so that the MT can fill department head positions over the next 3-5 years. The Management Trainee program participants consist of fresh graduate employees or employees with less than 3 years work experience, and includes the best graduates from major domestic and overseas universities. To do so, the Recruitment department cooperates with public and private universities and academies.

The Management Trainee training program goes through a classroom and an on-the-job training process, directly supervised by a Director or Division Head, to ensure the learning process runs at the highest standards. The Management Trainees are also given Projects to develop their knowledge of Company SOPs and targets.

In 2022, the Company ran 2 batches for the Management Trainee program. In batch 1, the Company received applications from 34,841 participants and recruited 13 people. In batch 2, the Company received applications from 39,226 participants and recruited 15 people. As a result, the total number of Management Trainee participants recruited in 2022 was 28 people from a total of 74,067 applications. After the program ended, they were placed as section leaders and became responsible for important processes within the Company.

This strategy ensures the Company has a workforce with values aligned with the company's values.

The Company's Human Resources Department strategy to instill the Company's values is carried out to provide guidance on the corporate values related to the daily activities. Due to external conditions that are still focused on handling the pandemic, the corporate values development process is carried out in a measurable manner and not through massive activities.

### Training Related to Company Values

In 2022, the Company conducts a coaching process for the Collaboration value through a Workshop presented by the Company Heads. This training is designed so that managers can interact and discuss related experiences, mindsets and activities that are important for developing inter-divisional collaboration in the Company.





### Meetings with the Company Values Theme

Also, in 2022, the Company held an Operational meeting attended by the Branch Heads / Deputy Heads called “COLLAGILITY” (Collaboration – Agility). This meeting was held to develop collaboration between Branch and Functional Department Heads. In this meeting operational targets were connected to company values, so that the relevance of the Company values could be delivered in daily activities.

### Monthly Communication Media with the Company Values Theme

The Company continued the corporate values communication process through the Digital Business and Communication unit in the Human Resources department. Newsletter media was used as the main means of providing information related to activities in the Company, as well as provided an opportunity to educate the corporate values through the current themes. As an example, the Zero Tolerance theme helped convey the value of Work Safety. The Human Resources Department also sent information via email, internet and WA to employees concerning the Company's values.

### Strategy for translating business goals into employee capabilities.

To ensure the Company's business objectives are carried out systematically by employees, and meet the desired standards, it is very important for the Company to create a comprehensive process within the HR management framework.

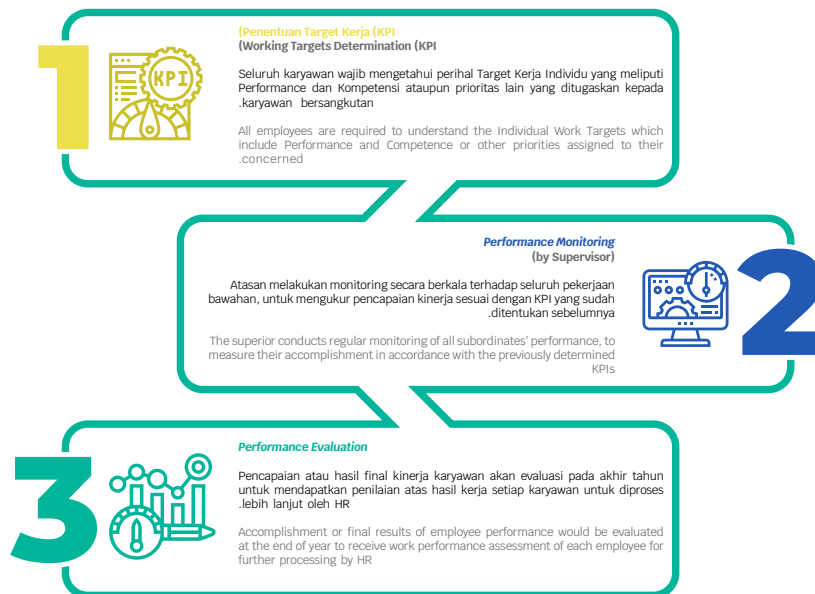
### Determination of Key Performance Indicators

In 2022, one of the key activities of the HR department was to revitalize the Key Performance Indicators for all positions in the Company. This KPI revitalization was carried out to achieve several strategic objectives:

1. To ensure all of the Company's strategic objectives can be cascaded from the highest leadership level to all employees.
2. To ensure there is a collaborative process between departments based on Company values
3. To align the communication processes between superiors and subordinates, and the subordinate development processes.
4. To become the basis for a fair employee appraisal process, and reward process related to good performance.

In 2022, the Company rewrote all existing KPIs for all positions in AKR. By rewriting these KPIs, all KPIs became measurable and only covered those that are important in the achievement of the Company goals.

Performance appraisals are carried out based on the Key Performance Indicators set at the beginning of the year for each individual, and the achievements are periodically monitored by superiors with employees. The achievements, or final results, are evaluated at the end of the year so that an assessment of each person's work is obtained for further processing to decide the necessary reward, development, and training and retention programs.



## Education & Training

The key to successful business and organizational development lies in the quality of the existing human resources. To continue to increase the sustainable value and benefits of the Company's employees, AKR has established competency education and development programs to deliver superior and competent human beings who can work effectively and efficiently to increase productivity and organizational maturity.

In 2022, the Company focused on basic training. The Company pays attention to mandatory training, and believes that basic training is the key to risk management.

Determination of the training program for AKR employees is carried out with the relevant Division Heads and filters down into a training matrix based on each employee's job role or job function. This training matrix contains the mandatory training programs developed internally, or external training held by third parties in collaboration with AKR.

The training developed and delivered by AKR's internal parties aims to improve employee skills and knowledge competencies according to their duties and responsibilities. This training will be scheduled for refreshment within 1 – 2 years using updated material to ensure employees gain the latest knowledge of the Standard Operational Procedures (SOP) and working instructions.

The training provided by third parties in collaboration with AKR refers to the training needs based on Government regulations related to AKR's core business. For this training the third parties usually have a license issued by a formal institution such as BNSP (National Professional Certification Agency) and the Ministry of Manpower with a validity period of between 3 – 5 years, which must be renewed before it expires.

In addition to the above training categories, training is also provided for selected employees based on the need to increase their specific skills and knowledge, and is based on the needs or development plans for the employees concerned. The Company does not regularly schedule this training, but the schedule is made based on needs. Examples of this specific skill and knowledge training include certification programs in the fields of Industrial Relations, Data Analysis using Power BI and R Code, Construction Project Management Training, and Corporate Governance Workshops from the Indonesian Corporate Secretary Association.

For the training above-mentioned programs, a training schedule will be prepared for the current year.

In 2022, the Company's education and training programs cost Rp1,161,692,135, an increase compared to the previous year's Rp652,012,984. This increase was due to the number of employees in the operational section carrying out work that required licenses from formal institutions (BNSP and the Ministry of Manpower). In addition, in 2022 license extensions were required for personnel/employees for functions related to the safety aspects.



## SUMMARY REPORT

Training Name	Position Level								Total
	SM	M	AM	S	SS	Staff	OS	ONS	
5K PETROLEUM						1			1
Basic First Aid				5	3	18	57	1	84
Basic Nisan, Hino and Quester						1	36		37
Business Presentation Skills	1								1
Defensive Drive Course				1	2	3	175		181
RI MINISTRY OF MANPOWER FIRE FIGHTING DC CERTIFICATION			1		2	3	7		13
Fire Fighting Class B		2	8	7	1	1	1		20
Fire Fighting Class C				8	1	8	4		21
GENERAL BUSINESS MANAGEMENT		1							1
Incident Investigation				3	9	5	4		21
Industrial Relations Certification Program			1						1
Loading & Unloading					4	1	122		127
Loading Master		1	3	7					11
Lock Out & Tag Out (LOTO)				6	2	4	35		47
Masterclass Data Analytics Using Power BI					3				3
MSDS Product				1	2	1	106		110
NEOP - Onboarding Program			4	5	2	10	21		42
New Employee Orientation Program		1	2	1	3	3	9	1	20
New Employee Orientation Program For Management Trainee					10				10
OIL SPILLAGE LEVEL 2				1					1
OPRC IMO Level 1				1					1
IMDG Code Training and Certification				1					1
Firefighter Training By Damkar				3	1	8	54	1	67
Responsibility for Air Pollution Installation Operations (POPU)				1					1
Permit To Work System (Hot, Cold, Confined, Working at Height)			2	11	5	10	25		53
RI MINISTRY OF MANPOWER P3K OFFICIAL CERTIFICATION					2	7	11		20
Positioning Communication as a Strategic Business Partner			1						1
Product Knowledge Chemical						1			1
PROPER - POPA				1					1
Refreshment Fire Fighting C				10	7	2	1		20
Retail Operation Handbook				2			16		18
Risk Assesment and Management (HIRADC)				9	5	11	29		54
Road Transport Safety 7 Pillar				1		1			2
Safety & Operational Tank Terminal		1	13	16	2	3	20		55
Safety & Operational Training warehouse			1				5		6
Safety & Operations Warehouse			1	3	1	2	1		8
Hazardous and toxic materials Driver Certification					2	1	138		141
BNSP Hazardous and toxic materials Waste Treament Certification				1					1
Training F&A For MT					9				9
Training for Trainers			1		1	9	1		12
Training Safety Awareness					1		3		4
Truck Safety Awareness					1		3		4
Total	1	6	38	105	81	114	884	3	1232

## Strategy for reducing the Company's risk factors

The Human Resources Department plays a very Highly important role in terms of reducing the Company's risk factors. Many of the Company's risk factors can be avoided by increasing compliance with regulations, and training employees on how to respond to situations that endanger work safety or other business risks.

### Industrial Relations and Employee Welfare

An industrial relations policy is needed by the Company to ensure business continuity, create a conducive working climate, create pride for employees, and to present a positive reputation from external parties.

Creating harmonious industrial relations is clearly a necessity for improving working conditions, productivity, competitiveness and quality of work. The condition of its industrial relations is also an indicator of good corporate governance in the Company.

The Company is also committed to continuously improving the welfare of its employees. For this reason, the Company ensures that it has fulfilled all the normative rights of employees in accordance with the applicable laws and regulations. During the pandemic, the Company did not reduce its employees' salaries and benefits. To show the

Company's appreciation for their performance, it also continued to provide annual bonuses to employees with criteria determined by Management.

### Employee Health

The Company continued its policy to prioritize employee occupational health. During the Covid-19 pandemic, the Company achieved a booster vaccination rate of 100% by following several strategies, which included the obligation for new employees to have booster vaccinations, and collaborating with health institutions for joint vaccinations, and weekly monitoring of employee vaccination activities. The Company also continued its policy of conducting weekly antigen swabs and distributing free masks at certain levels to reduce the risk of Covid-19 transmission. In 2022, the Company also conducted ongoing Health monitoring activities for employees through the MCU program, and MCU follow-up.

The Company's costs amounted to Rp654,603,089 for organizing MCU, and Rp5,129,284,668 for Covid-19 prevention activities and other health initiatives to reduce employee health risks.

### Employee Demographics

As of December 31, 2022, the Company and subsidiaries total employees reached 2,645 people, a decrease of 32 people or 2% compared to 2,613 employees as of 31 December 2021.

#### Employee Demographics by Gender

Gender	2022		2021	
	Total	%	Total	%
Male	2,269	85.8%	2,257	86.4%
Female	376	14.2%	356	13.6%
<b>Total</b>	<b>2,645</b>	<b>100.0%</b>	<b>2,613</b>	<b>100.0%</b>

#### Employee Demographics by Age

Age Range	2022		2021	
	Total	%	Total	%
>56 years	70	2.6%	65	2.5%
47-55 years	326	12.3%	307	11.7%
40-46 years	512	19.4%	496	19.0%
33-39 years	678	25.6%	773	29.6%
26-32 years	732	27.7%	580	22.2%
<25 years	327	12.4%	392	15.0%
<b>Total</b>	<b>2,645</b>	<b>100.0%</b>	<b>2,613</b>	<b>100.0%</b>



## Employee Demographics by Education

Education Level	2022		2021	
	Total	%	Total	%
Doctorate	2	0.1%	2	0.1%
Master's	109	4.1%	103	3.9%
Bachelor's	887	33.5%	1,014	38.8%
Diploma	352	13.3%	165	6.3%
Senior High School	1,215	45.9%	1,258	48.1%
Junior high School	72	2.7%	62	2.4%
Elementary School	8	0.3%	9	0.3%
<b>Total</b>	<b>2,645</b>	<b>100.0%</b>	<b>2,613</b>	<b>100.0%</b>

## Employee Demographics by Organization/Position Level

Position Level	2022		2021	
	Total	%	Total	%
Board of Commissioners	3	0.1%	3	0.1%
Board of Directors	7	0.3%	7	0.3%
Key Executives at Commissioners Level	8	0.3%	7	0.3%
Key Executives at Directors Level	32	1.2%	31	1.2%
General Manager & Senior Manager	51	1.9%	52	2.0%
Manager	123	4.7%	115	4.4%
Asisten Manager	145	5.5%	126	4.8%
Supervisor - Staff	776	29.3%	906	34.7%
Operator	1,500	56.7%	1,366	52.3%
<b>Total</b>	<b>2,645</b>	<b>100.0%</b>	<b>2,613</b>	<b>100.0%</b>

## Employee Demographics by Employment Status

Employment Status	2022		2021	
	Total	%	Total	%
Permanent Employee	1,933	73.1%	1,995	76.3%
Contract Employee	712	26.9%	618	23.7%
<b>Total</b>	<b>2,645</b>	<b>100.0%</b>	<b>2,613</b>	<b>100.0%</b>

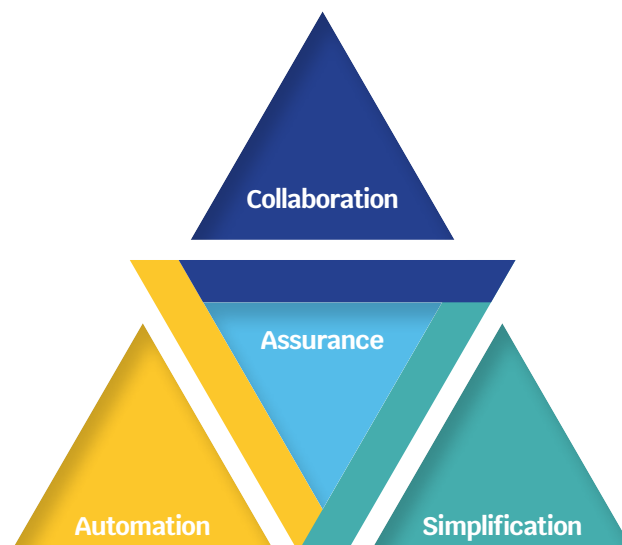


## INFORMATION TECHNOLOGY



Increasingly dynamic business developments and challenges in the business world, especially after the Covid-19 pandemic, require businesses transform their business aspects. One step taken by many businesses is to encourage the use of Information Technology (IT). IT optimization in business processes not only supports cost leadership but also enables companies to operate more effectively and efficiently.

AKR made a commitment to utilize and develop its IT several years ago. As a result, we were able to record a positive performance even during the pandemic. IT has a strategic role to play in the Company to help it optimize its performance, while at the same time provides a positive impact on business processes, which includes ensuring operations run more efficiently, accurately, and are oriented towards a Quick Response System. In principle, the Company's IT Strategy is to adopt technology advancements that are relevant today.







The IT systems development at AKR is based on 4 values to be generated:

1. Collaboration: Develop productivity across business processes. Main aspect: Mobility
2. Automation: Simplify the workflow and shorten the processing period.
3. Simplification: Simplify processes to eliminate non-value added tasks and unnecessary or redundant tasks.
4. Assurance & Governance: Assurance for availability, traceability and security as well as alignment with the business and overall business objectives.

AKR's IT implementation has also received recognition from independent parties. In 2022, AKR received the Best IT award for a Public Company in the Energy, Oil & Gas Supply Chain category with a Gold Predicate from the Economic Review.

In an event with the theme "Shaping the Future of Indonesia through Digitalization", AKR received a score of 85.67 and was recognized as a company with excellent standard information technology implementation among energy, oil and gas and supply chain companies.

### IT DIVISION'S CHALLENGES AND STRATEGIC PROGRAMS IN 2022

In 2022, IT had to make the Company more effective and efficient in conducting its business and operations during a pandemic. Therefore, an integrated information system needed to be developed with human resources who understood AKR's business, and this was a challenge that needed to be anticipated and improved.

Therefore, IT instigated strategic programs that required Collaboration, Automation, Simplification and Assurance & Governance, as follows:

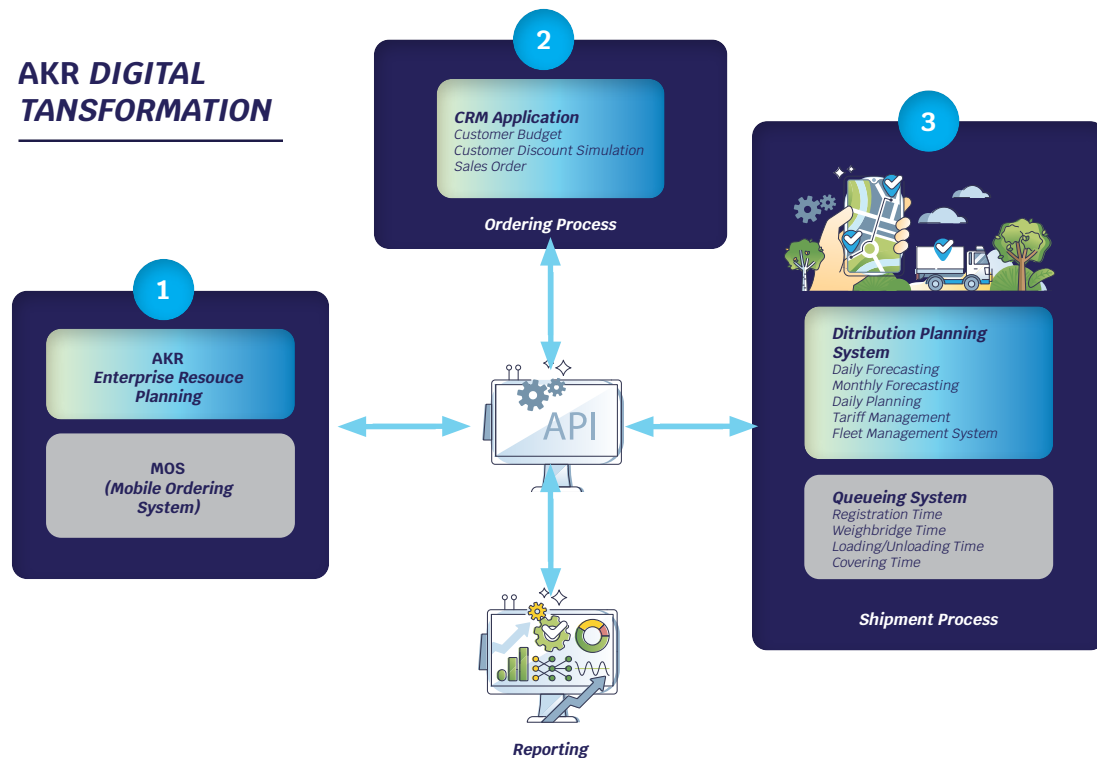
1. All functions use of Online Meetings, namely the Microsoft Teams, so that users could make maximum use of collaboration and interaction in a more integrated manner using one platform. In this case, it allowed for all of the obstacles encountered during the pandemic to be carried out normally with no significant obstacles.
2. From a business perspective, Customer Relationship Management (CRM) was implemented throughout the Company's business. With this implementation, sales activities can be tracked and monitored up to the order process.
3. From an operational standpoint, the Distribution Planning system continued to be developed with a focus on managing the supply chain from the process of receiving orders to the delivery to customers in a timely manner. This involved the management of trucks or transport fleets on a daily and monthly basis, as well as monitoring the important delivery processes so that the existing transportation could be used more effectively and efficiently.
4. In response to the challenges of IT systems transformation, the Company also works to prevent and handle cyber attacks that could threaten the Company's business and operations. The Company also works with the National Cyber and Crypto Agency (BSSN) in implementing IT security standards. By so doing, strengthening and implementing IT security policies and procedures has become an equally important focus.

AKR has adopted the management Application Programming Interface (API). API is an innovation in software development that allows applications to easily and securely exchange data and functionality. Through its design API offers security, due to its positioning as an intermediary between data and servers that facilitates functionality between two/more systems with an additional layer of protection. As a result, AKR can manage the distribution and control processes in API as it connects applications and data across all of the Company's lines of business.

### IT INVESTMENT AND SOCIALIZATION

So that IT utilization has an optimal impact on the Company's operations, special investments are required aimed at optimizing the role of IT itself. IT investments are being made to increase the capacity of the hardware and software used by the Company. In addition, investments are also being made to increase the capacity of employees who manage the Company's IT.

## AKR DIGITAL TRANSFORMATION



AKR is committed to developing its IT in line with the demands of the industry and the needs of the Company. This commitment is reflected in the provision of funds for IT development.

IT initiatives are launched by the Company through active socialization, including awareness of cyber security, which is included in the new employee orientation program, with this socialization being regularly held 2x a month. In addition, in 2022 the Company with management trainee participants carried out a sharing session regarding the Data Analytics Masterclass with Power BI. This knowledge will be used to process data properly and correctly as business insights in leading important decisions within a company.

## DATA PRIVACY AND CYBER SECURITY

AKR realizes that such rapid technological advances must also be balanced with aspects of data security and cybersecurity. For this reason, in 2021, the Company has strengthened the implementation of data protection and cybersecurity in all operational business lines. AKR has issued a cyber security policy that covers risk management within the Company regarding confidentiality, integrity and availability of information.

In recent complex digital era, cybersecurity is becoming increasingly important for companies. For this reason, AKR is committed to continuing to improve the readiness and capability of the Company in dealing with cybersecurity threats by optimizing the Cybersecurity Incident Response (CIR) system.

CIR is a management system that allows us to manage cybersecurity incidents quickly and effectively. With CIR, AKR is able to provide a fast and appropriate response when a cybersecurity incident occurs, thereby reducing or isolating the negative impacts that arise and speeding up the recovery of affected systems.

In implementing these policies and standard operating procedures, AKR's IT governance and cyber security consist of IT Data Center Operations, IT Network, IT Security and Compliance, IT Development, and IT Infrastructure and Operations.

The implementation of this policy is the authority and responsibility of AKR's Information Technology Department. The objectives of this policy are:

- Formulate organizational strategies through the protection of the Company's non-public material data and information by using relevant references from international standards and best practices.



- Establish a governance structure to manage information security risks effectively and efficiently.
- Manage identified security risks to an acceptable level in accordance with management agreements, as documented in the Key Performance Indicators (KPI), for management with standard risk tolerance limits by designing, implementing, and maintaining risk improvement plans.
- Building a culture of accountability and raising the level of awareness of all personnel.
- Establish responsibility and accountability for information security policies and governance throughout the Company.

AKR is committed to continuously improving the security of the Company's information to ensure information security objectives are met and can adapt to the changing cyber threat landscape, as well as can take into account the evolving organizational, legal and regulatory requirements.

In its implementation, AKR's Information Technology Department routinely conducts technical training for AKR's IT team as well as socializes to all employees the importance of protecting personal data. During 2022, the following employee cyber security training related was held:

No	Training Program	Number of Attendees
1.	(March 24, 2022) Training Cyber Security March 24, 2022	9
2.	(April 28, 2022) Training Cyber Security for New Employee	7
3.	(May 20, 2022) Training Cyber Security for New Employee	5
4.	(September 27, 2022) Training Cyber Security	3

## FUTURE IT DEVELOPMENT PLAN

IT will continue to make a major contribution to the Company helping it improve its business going forward, and achieve its existing vision, namely Collaboration, Automation, Simplification and Assurance & Governance. The IT strategic plan for 2023 is as follows:

1. Integrate ERP systems and other satellite applications using API (Application Programming Interface) Management, which allows for all business processes and data to follow one continuous point-to-point process without any manual processes.
2. Undertake a complete overhaul of the Reporting System and Management Information System (MIS) to make it more flexible so that it meets user needs according to their designated function and level. This will form the basis for the Company to make decisions using accurate and reliable data or information.
3. Improve and strengthen the existing network and connections with SD WAN technology to further enhance the network performance at the head office and branches, as well as add more comprehensive security to the IT infrastructure.
4. Implement Enterprise Architecture to assist and facilitate IT in developing systems and applications according to the Company needs.
5. Develop IT resources through training and certification according to their needs to answer future IT challenges. As well as providing training and education to IT users to prepare them in understanding technology, so they develop as partners in the IT systems development, and provide added value to the Company.



## AKR GCG ACHIEVEMENTS IN 2022

# 84,45

The final score from the Asean Corporate Governance Scorecard for implementation in 2020 from IICD was 84.45 points, the performance level of PT AKR Corporindo Tbk's compliance was included in the "Good" Level 3 (80 - 90) rating, meaning that the implementation of the company's corporate governance exceeded compliance against minimum requirements and adopts some of the international standards required by ACGS. PT AKR Corporindo's score is far above the average BigCap100 score (73.63) and mid cap score (65.38). An assessment was also made by the RSM Institute which resulted in the Company's overall score reaching 85.61 points with the following details (cut off August 31, 2021)



### Awards:

1. Top 50 Big Capitalization Public Listed Company 2022 – IICD
2. Indonesia Respectful Legend Companies
3. ASIA MONEY AWARD 2022 Most Outstanding Industrial Company in Indonesia
4. Winner of the 2022 Corporate Emissions Transparency Award, in the Issuer Sector category with a GOLD Title
5. The Best Oil and Gas Company – Bisnis Indonesia Awards 2022
6. BPH Migas Award 2022 For category of Compliance with Provision on Fuel Operational Reserves
7. 1st Best Indonesia GCG 2023 , Category Public Company - Wholesale (Asset Rp 1T - Rp5T), by Economic Review
8. Indonesia Excellence GCG Awards 2023 – AKRA Managing a High Level of Company Performance in GCG Ethics, by Warta Ekonomi
9. 1st Best Indonesia Enterprise Risk Management 2023, Category Public Company - Wholesale (Asset Rp 1T - Rp5T), by Economic Review

AKR continues to strengthen its commitment to implementing good corporate governance (GCG) as the basis for providing sustainable added value to stakeholders including shareholders, employees, consumers, suppliers, business partners, regulators and the general public

On an ongoing basis, the Company continues to strengthen and makes improvements in its GCG implementation related to the structure, processes and governance mechanisms. This is intended so the Company can achieve the best results from its GCG implementation. For this reason, we continue to review the suitability of GCG implementation in the Company using several international and national standards, such as the ASEAN Corporate Governance Scorecard, POJK No. 21/POJK.04/2015 and the Indonesian General Guidelines for Corporate Governance version 2021 issued by the National Committee on Governance Policy (KNKG).







GCG-related socialization, education and training activities for all employees are the steps taken by the Company to build commitment to GCG implementation in all employees. The Company also strives to develop GCG as a culture and spirit in every operational activity of the Company, including when interacting with external parties.

The following shows some of the GCG activities carried out by the Company in 2022:

1. Conducted a 1:5 stock split in January 2022 after obtaining unanimous approval from the shareholders through the EGMS in December 2021
2. Conducted a GMS and EGMS on April 28, 2022 with the following agenda;
  - a. Approval and ratification of the Board of Directors' Report on the Company's business operations and the Company's financial administration for the fiscal year ending December 31, 2021
  - b. Approved the plan to use the Company's net profit for the fiscal year ending December 31, 2021.
  - c. Appointed of an Independent Public Accounting Firm to conduct an audit of the Company's Bookkeeping for the fiscal year ending December 31, 2022.
  - d. Approved the reordering of Article 3 in the Company's Articles of Association (KLBI)
3. Consistently distributed dividends 2 times on May 24, 2022 for dividend 2021, and on August 16, 2022 for interim dividend for 2022 with a ratio > 50%
4. Established a Blackout period policy in July 2022 to prevent insider trading, this policy was enforced 10 days prior to the release date of the financial statements. Through this policy, transactions in PT AKR Corporindo Tbk. shares by the Board of Commissioners, Board of Directors, majority shareholders, AKR's Key Executives and their subsidiaries and affiliates who have access to Material Information related to the Company, are not permitted to trade during this period.
5. The Company's Board of Directors established an ESG Committee to assist the Board of Directors and the Board of Commissioners in carrying out their supervisory responsibilities in monitoring and evaluating the implementation of AKR's sustainability commitments, as well as relevant and material ESG issues for AKR



# GOVERNANCE IMPLEMENTATION COMMITMENT

In line with the Company's efforts to continuously improve its business achievements, AKR also continues to strengthen its commitment to improve and implement quality Corporate Governance. AKR believes that the implementation of Good Corporate Governance is the basis for achieving good performance over the long-term, as well as protecting the interests and adding value to stakeholders.

Each governance organ carries out its functions and duties in accordance with the Company's policies and prevailing laws and regulations. AKR also regularly makes improvements to each GCG policy, guidelines, and supporting tools.

When implementing GCG, the Company refers to the applicable laws and regulations and best practices for implementing GCG, both for domestic and overseas companies. The Company ensures that GCG implementation within the Company is in accordance with GCG implementation standards and governance developments generally applicable in the business world. Some of the governance implementation standards AKR refers to include the ASEAN Corporate Governance Scorecard issued by the ASEAN Capital Market Forum, and the GCG Guidelines issued by the National Committee on Governance Policy (KNKG) in 2006, and the Indonesian Corporate Governance Roadmap issued by the Financial Services Authority in January 2014.

## BASIS FOR GOOD CORPORATE GOVERNANCE IMPLEMENTATION

Implementation of Good Corporate Governance principles in the Company is based on:

1. Republic of Indonesia 2007 Law No. 40 of concerning Limited Liability Companies;
2. Republic of Indonesia 1995 Law No. 8 of concerning Capital Markets.
3. Financial Services Authority (FSA) Regulation No. 21/POJK.04/2015 concerning Implementation of Public Company Governance Guidelines
4. FSA Regulation No. 32/POJK.04/2014 concerning the Plan and Implementation of the General Meeting of Shareholders in Public Companies (POJK 32/2014);
5. FSA Regulation No. 33/POJK.04/2014 concerning the Board of Directors and Board of Commissioners of Issuers and Public Companies;
6. Indonesian GCG General Guidelines, issued by the National Committee on Governance;
7. Indonesian Corporate Governance Roadmap issued by the Financial Services Authority.

## CORPORATE GOVERNANCE PRINCIPLES

The Company's GCG framework is based on the principles of transparency, accountability, responsibility, independence, fairness and equality.

<b>Transparansi Transparency</b>	The Company always provides material and relevant information in a way that is easily accessible and understood by stakeholders. The Company also always discloses matters required by laws and regulations that are important to stakeholders.
<b>Akuntabilitas Accountability</b>	The Company can account for its performance in a transparent and fair manner through proper management of the Company in accordance with the interests of the Company while taking into account the interests of Shareholders and other Stakeholders.
<b>Tanggung Jawab Responsibility</b>	The Company complies with laws and regulations and carries out its responsibilities to the communities and the environment so that long-term business continuity can be maintained and the Company can be recognized as a good corporate citizen.
<b>Independensi Independence</b>	The Company is managed independently so that each organ of the Company does not dominate another and cannot be intervened by other parties.
<b>Kewajaran dan Kesetaraan Fairness and Equality</b>	The Company always makes available access to information and opportunities for Stakeholders to provide input and express opinions in the interests of the Company. The Company provides equal and fair treatment to Stakeholders in accordance with the benefits and contributions they give to the Company. The Company also provides equal opportunities in employee recruitment and careers regardless of ethnicity, religion, gender, and physical condition.

AKR has been in business for 63 years as a logistics and supply chain service provider to facilitate trading in essential and critical products for the industry.

Since its establishment, AKR has been oriented towards providing value to stakeholders, whether it's meeting the needs of industrial customers, becoming an extension of suppliers, conducting business according to regulations, and providing profit and benefits to shareholders and employees.

AKR continues to develop based on the needs of its stakeholders to grow in a sustainable manner. AKR's ability to adapt and transform so that it is always relevant to changes has driven AKR to be successful in providing a consistent performance despite the many crisis and economic phases. To ensure our efforts are relevant, information is needed on what changes are happening outside, and awareness of these changes, so that the Company can voluntarily adapt.





The Corporate Secretary plays an important role in providing information related to the business environment and prevailing regulations, and communicates these to the Company's organs, then supervises the changes taken to be communicated back to stakeholders outside the Company. The Company, through the Corporate Secretary department, conducts a corporate governance implementation self-assessment based on the Asean Corporate Governance Scorecard, and the General Guidelines for Indonesian Corporate Governance (PUGKI) 2021. The assessment aspects include Shareholders' Rights, Equal Treatment of Shareholders, Role of Stakeholders, Openness and

Transparency, Roles – Responsibilities – Work Relations of Directors and Commissioners, Composition and Remuneration, Ethical and Responsible Behavior, Risk Management-Internal Control and Compliance, Appreciation for Stakeholders.

## GOVERNANCE FRAMEWORK

The Company's commitment to implementing corporate governance is manifested in the Corporate Governance Framework as follows:

Governance Structure	Governance Processes	Governance Results
<ul style="list-style-type: none"> <li>Main Organs</li> <li>Supporting Organs</li> <li>Infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>Fulfillment of Shareholders' rights and equal treatment to all Shareholders.</li> <li>Fulfillment of Stakeholders' rights.</li> <li>Implementation of duties and responsibilities.</li> <li>Transparency of the Company's financial and non-financial conditions.</li> </ul>	<ul style="list-style-type: none"> <li>Maximize the Company's value.</li> <li>Improve the Company's competitiveness.</li> <li>Encourage the management of the Company in a transparent and efficient manner.</li> <li>Encourage the Company's organs to run the company based on high moral values and compliance with laws and regulations.</li> <li>Control and direct the relationship between the Company's organs.</li> <li>Promote awareness of corporate social responsibility towards Stakeholders.</li> <li>Increase market confidence to encourage investment and national economic growth.</li> </ul>

## GOVERNANCE STRUCTURE

Based on the 2007 Law No. 40 concerning Limited Liability Companies, the Company's Governance organs consist of the General Meeting of Shareholders (GMS), the Board of Commissioners, and the Board of Directors. These three organs determine the Company's direction and objectives as well as the results to be achieved by the Company. Therefore, a close and harmonious relationship between the Company's organs is very important.

Governance organs have been established to support the implementation of Good Corporate Governance principles so they can run in a systematic and structured manner. The harmony between each of the Company's organs will only work properly when each organ clearly understands their respective functions and duties. Therefore, in accordance with GCG principles, the Company has regulated the authority of each Organ as mandated in the Articles of Association and the Prevailing Laws.

### 1. GMS

GMS is a Company organ that has authorities not given to the Board of Directors or the Board of Commissioners within the limits specified in the Law and/or Articles of Association.

### 2. Board of Commissioners

The Board of Commissioners is the Company's organ in charge of conducting general and/or specific supervision in accordance with the Articles of Association and providing advice to the Board of Directors.

Supporting Organs:

- Audit Committee;
- Nomination and Remuneration Committee.

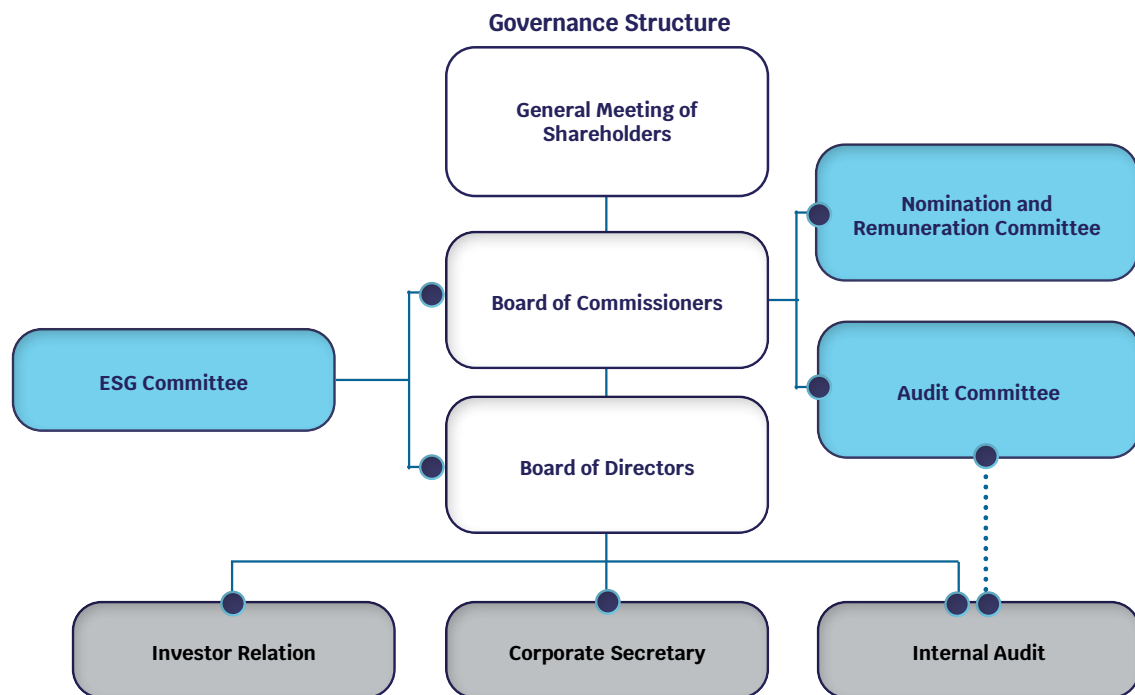
### 3. Board of Directors

The Board of Directors is the Company's organ authorized and fully responsible for the management of the Company for the benefit of the Company, in accordance with the purposes and objectives of the Company and represents the Company, in accordance with the provisions of the Articles of Association.

Supporting Organs:

- Corporate secretary;
- Internal Audit;
- Investor Relations.

The establishment of these supporting organs was carried out as part of a clear division of authority for implementing the basic principles of GCG effectively.



To support GCG implementation in the Company, AKR has developed and determined policy tools that have been mutually agreed upon by the Board of Commissioners and Board of Directors. These policies regulate the implementation of working relations for all Governance Organs within the Company, with reference to the Articles of Association provisions and/or prevailing laws and regulations.

Governance policy tools at AKR include the following:

1. The Company's Articles of Association;
2. Board of Directors and Board of Commissioners Guidelines;
3. Audit Committee Charter;
4. Internal Audit Charter;
5. Nomination and Remuneration Committee Charter;
6. Risk Management Policy;
7. Whistleblowing System & Anti-Corruption Policy;
8. Code of Conduct.

## GOVERNANCE MECHANISM

The Company has a governance mechanism based on the principle of equality to regulate each of the Company's Organs in accordance with their respective functions and roles. The Board of Commissioners performs its supervisory function assisted by the Audit Committee and the Nomination and Remuneration Committee. While the Board of Directors perform its management function assisted by Internal Audit Unit, Corporate Secretary and Investor Relations. An understanding of GCG at all levels of the Company is continuously implemented in all business activities of the Company. There are three main focuses the Company pays attention to for the implementation of GCG in the Company, namely Compliance, Confidence, Transparency.



The principle of compliance shows how the Company complies with Good Corporate Governance which is seen in all areas, including the Company policies.



Confidence is the internalization of optimism and positive attitude. The Company will always strive to provide the best for all its stakeholders.



Transparency shows that the Company always prioritize the principle of openness and always provides the information needed by investors.

In an effort to enforce GCG principles, the Company internalizes GCG to all employees in all business processes and also conducts exposure to external parties through information dissemination activities.

Company internalization	Company's External Exposure
<ul style="list-style-type: none"><li>• Goods Procurement Procedure</li><li>• Employee Selection Procedure</li><li>• Admission Procedure</li><li>• Reporting Procedure</li><li>• Marketing Procedure</li></ul>	<ul style="list-style-type: none"><li>• Investor relations activities (quarterly result briefings, investor presentations, conferences, roadshows, bespoke meetings attended by investors and analysts).</li><li>• Annual public expose</li><li>• Information disclosure to FSA and IDX.</li><li>• Regular updates to the Company's website (<a href="http://www.akr.co.id">www.akr.co.id</a>).</li><li>• Regular information disclosure through news releases to stakeholders.</li></ul>

## IMPLEMENTATION OF CORPORATE GOVERNANCE RESULTS IN 2022

- Profit Growth 116% that encourages dividend growth and consistent payments
- AKR was listed on the main ESG indices on the Indonesia Stock Exchange
- The level of investor confidence reflected in the 35% increase in the number of investors in 2022 vs 2021, and 55% increase in share prices
- The Company's share trading activities are reasonable and did not receive reprimands from regulators and stock exchanges
- Synergy between management and operations related to the implementation of ESG initiatives
- Increased employee awareness of risk management in the work area

# SUSTAINABILITY STRATEGY

**“ To achieve sustainability, we must go beyond business as usual, and maximize all the potential that exists in all of the Company’s business lines.**

## SUSTAINABILITY COMMITMENT

In line with the Company mission, AKR was born and established with a noble purpose. We want to grow and develop by adhering to one commitment, that the Company must provide maximum added value and benefits to all stakeholders. This commitment in its journey reflects the identity and spirit of the Company. Passion to grow and move forward together.

That spirit is what we bring in achieving sustainability. In our view, AKR’s success cannot be measured solely from business success alone. We believe that AKR will only be successful and move forward when its economic, social and environmental performance grows and we can walk together side by side.

Sustainability commitment represents an ambition that can only be achieved through concrete, measurable actions. To make it happen, we need a directed long-term strategy and plan. While in practice, AKR must always ensure that what we manage today can truly provide sustainable benefits for all of our stakeholders, both for today, tomorrow and for the future.

AKR is committed to continuous sustainable development to create added value for all stakeholders. We want to grow and move forward with clear goals, plans, ambitions and targets. Through our sustainable business portfolio, from logistics and distribution, industrial estates, to the development and management of Special Economic Zones (SEZs), we aim to deliver benefits to the environment and to people, by touching millions of people.

This means we must go beyond business as usual. AKR needs to maximize its efforts to achieve a balance between business success and growth, with awareness of the environment and the progress in the surrounding communities. This is actually in line with AKR’s mission, where we look to optimizing our potential to build sustainable stakeholder value.

As a global corporate citizen, AKR also understands its position and role in supporting the achievement of the Sustainable Development Goals (SDGs). A common goal the global community aspires to. This commitment also shows our support for the success of the Indonesian Government’s agenda in achieving Sustainable Development. As part of AKR’s sustainability commitment, currently, we have mapped the SDGs targets with the Company’s operational activities.

In our view, this is the meaning of sustainability. Commitment with measurable ambitions, targets and goals, in line with economic, environmental and social performance. Our commitment starts with optimism and strong determination, for the sake of future sustainability. For us, being a sustainable company is a commitment that must be continuously strived for.

## EMBEDDING SUSTAINABILITY ACROSS AKR’S BUSINESS LINES

Sustainability management is actually a shared responsibility. Therefore, we always strive to ensure that AKR’s sustainability principles and values can actually work and are embedded in all of the Company’s business lines.

For its implementation, AKR’s ESG Committee and ESG Tack Force have formulated the AKR Sustainability House: PROGRESSING WITH PURPOSE, which includes 4 main pillars that serve as guidelines and guidance for us to implement sustainability strategies in all of the Company’s business lines, namely:

1. Our Business Portfolio
2. Our People
3. Our Communities
4. Our Conduct



## Sustainability House

Umbrella Sustainability Commitment Statement And Elevator Pitch	PROGRESSING WITH PURPOSE				
	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 lanacing ambition with wisdom, and business success with environment consciousness, and social progress. For us, this is the meaning of sustainability – Progressing what Purpose.				
	Pillars	OUR BUSINESS PORTFOLIO	OUR PEOPLE	OUR COMMUNITIES	OUR CONDUCT Operating responsibly and upholding ethical behaviour and legal compliance in everything that we do
	Rationale of the pillar	Building strong, robust and resilient business portfolio to support the evolving need of our customers and stakeholders	Nurturing, developing, and safeguarding our people as our most valuable assets.	Giving back to the communities wherever we operates	
	Action Areas/ Strategic Priorities	<div><div>1.</div><div>Robust &amp; Resilient Business Model</div></div> <div><div>2.</div><div>Strong financial Fundamentals</div></div> <div><div>3.</div><div>Operational Excellence &amp; Utilization of Technology</div></div> <div><div>4.</div><div>Customer Engagement &amp; Satisfaction</div></div> <div><div>5.</div><div>Management of Environmental Footprints</div></div>	<div><div>1.</div><div>Labor &amp; Employment Practice</div></div> <div><div>2.</div><div>Health &amp; Safety</div></div> <div><div>3.</div><div>Employee Engagement, Diversity &amp; Inclusion</div></div> <div><div>4.</div><div>Learning &amp; Development</div></div>	<div><div>1.</div><div>Community relations &amp; development programs</div></div> <div><div>2.</div><div>Involving Local Suppliers</div></div> <div><div>3.</div><div>Providing opportunities for the local communities</div></div>	<div><div>1.</div><div>Good Corporate Governance</div></div> <div><div>2.</div><div>Business Ethics</div></div> <div><div>3.</div><div>Compliance to Law and Regulations</div></div>



### Our Business Portfolio

AKR is committed to building a strong, robust and resilient business portfolio to support the evolving needs of our customers and stakeholders. AKR was established as a logistics and supply chain service provider to facilitate trade in essential and critical products for the industry. AKR continues to be oriented towards providing added value to stakeholders, whether it's meeting our industrial customers needs, becoming an extension of our suppliers, conducting business based on regulations, or providing profit and benefits to shareholders and employees. AKR continues to develop based on our stakeholders' needs, so we can grow in a sustainable manner. We have developed by facilitating products needed by the industry through supply chain logistics, and are now also endeavoring to encourage manufacturing growth through the JIPE Special Economic Zone.

AKR continues to build a strong business model and create strong financial fundamentals. At the same time, we also realize that change and adaptation are always needed in the face of increasingly complex challenges and dynamics. Therefore, building operational excellence by using technology is one of the keys and the most important part of our sustainability commitment.

In addition, AKR understands that the Company's business sustainability cannot be separated from the level of trust and satisfaction given by stakeholders, including our customers. Therefore, we must also ensure the fulfillment of customer involvement and satisfaction by providing the best service, establishing two-way communication, and creating harmonious relationships.

Last but not least, is our commitment to care for the environment. AKR always strives to create workplaces that are free from air pollution, noise, potential fire risks, and other risks that may arise as a result of the Company's operational activities, all of which will ultimately have a negative impact on the local communities activities and lives. We are also committed to actively participating in addressing the impacts of climate change. Currently, AKR has instigated a strategy and initiated an initiative to carry out a transition to clean and environmentally friendly energy.

### **Our People**

AKR is committed to developing and safeguarding the Company's employees as our most valuable assets. When embarking on our long journey towards sustainability, AKR realized that people are always the most important factor that will determine our success or failure in achieving the set values. For this reason, AKR always protects labor practices through an anti-forced labor policy, thus guaranteeing freedom of association.

AKR is also committed to prioritizing Occupational Health and Safety (OHS). This can be seen in our OHS management system that includes providing training, striving to achieve zero fatalities in all subsidiaries, and providing health service facilities. At the same time, AKR also promotes employee diversity, inclusion and engagement. We adhere to the principles of non-discrimination and equal opportunities, and support work-life balance.

Finally, AKR is committed to providing employee training and development. We ensure that all employees have equality and the same opportunities to develop and enhance their careers. We understand that all of the Company's targets and objectives will only run optimally if supported by capable and qualified Human Resources (HR).

### **Our Communities**

For us, AKR's business progress must always go hand in hand with the growth and prosperity of the communities wherever we operate. Therefore, AKR strives to provide broad benefits to the surrounding communities. This is achieved through a series of Social Responsibility (CSR) programs and sustainable community development. We also try to create a multiplier effect in our projects so they contribute to generating indirect benefits from an economic and social standpoint.

To improve the surrounding communities economy, AKR endeavors to use and take advantage of local services and material suppliers, which also contributes to increasing the Domestic Component Level. Finally, we create job opportunities for local employees, namely the people living around our operational areas, and this includes filling senior management positions.

### **Our Conduct**

AKR has always been committed to operating responsibly and upholding ethical behavior and legal compliance in everything that we do. For realizing the sustainability values, our commitment begins with strengthening good corporate governance (GCG). In 2022, in our concrete step, the Company established an ESG Committee responsible for determining the Company's ESG strategy, providing recommendations, coordinating, providing reports, and monitoring the Company's ESG initiatives carried out.

AKR also upholds the principles of transparency and accountability to achieve sustainability. The Transparency commitment is always carried out through openness in carrying out the decision-making process, as well as openness in disclosing relevant material information about the Company. The Accountability commitment is carried out through the clarity of functions, implementation and accountability of the Company's organs, so that the Company's management can be carried out effectively.

Finally, business ethics and compliance have become the code of conduct and a reference for all employees when applying the Company's values. On an ongoing basis, AKR not only seeks to instill the business ethics and compliance as an obligation that must be fulfilled, but also to enable it to become part of the daily habits and culture of all the Company's people.

## **STAKEHOLDER'S VOICE**

AKR views stakeholders as key to our sustainability, so they must be placed in an important position. Therefore, we have to ensure that all stakeholders are involved in the Company's activities. We always maintain two-way communication by listening to the stakeholders' aspirations, needs, suggestions and criticisms in all operational areas.





A summary of stakeholder groups, the basis for identification, topics of engagement results, and methods and frequency of engagement with the Company are presented as follows:

No.	Inclusivity Principle		Materiality Principle	Responsiveness Principle
	Kepentingan Stakeholder Groups	Identification Basis	Engagement and Communication Topic Results	Engagement Level, Method and Frequency
1	Shareholders		Accountability for the Company's economic, environmental and social performance	<b>Providing Information and Engagement</b> <ul style="list-style-type: none"> <li>Regular publications (annual reports, quarterly financial reports, quarterly exploration reports) and websites</li> <li>Multi-stakeholder forum, organizing GMS, at least 1 time a year</li> </ul>
2	Employees		1. OHS performance 2. Employee welfare	<b>Providing Information, Consultation, Negotiation, and Engagement</b> <ul style="list-style-type: none"> <li>Corporate bulletin, business unit bulletin, communication via e-mail, intranet, website, social media, instant messaging.</li> <li>Employee engagement survey, including culture, satisfaction, and perception, etc.</li> <li>Preparation and determination of the Collective Labor Agreement for a period of 2 (two) years, and its derivative regulations that include provisions related to the rights and obligations of the Company and all employees according the relationship with the each employee.</li> <li>LKS Bipartite and Quarterly Meetings between AKR and trade unions.</li> </ul>
3	Government		<ul style="list-style-type: none"> <li>Community empowerment through CSR programs</li> <li>Payment of taxes and obligations to the State</li> </ul>	<b>Developing Relationships with Stakeholders</b> <ul style="list-style-type: none"> <li>Providing input to the Government on various policies and regulations</li> <li>Routine reporting (AMDAL and RKTTL to OJK, etc.) and website</li> <li>Consultations with ministries/institutions and agencies, public consultation,</li> <li>Development planning meetings (Musrenbang) with local governments; Payment of taxes, PNBP and other obligations to the State</li> </ul>
4	Suppliers	D, R, T, P	<ul style="list-style-type: none"> <li>Transparency in goods and services procurement</li> <li>Economic, social and environmental performance</li> </ul>	<b>Sharing Information and Collaboration</b> Open and transparent implementation of regular work contract tenders; work contract documents that comply with the laws, including aspects of human rights, OHS, and the environment
5		D, R, I, P	Product and service quality	<b>Sharing Information and Consultation</b> <ul style="list-style-type: none"> <li>Preparing commercial product sales contracts with guaranteed product quality, continuity of supply and delivery timeliness, as needed</li> <li>Regular meetings with consumers and customer satisfaction surveys at least once a year</li> </ul>
6	Public	D, R, T, I, DP, P	<ul style="list-style-type: none"> <li>Socialization and distribution of CSR/TJSL Program funds</li> <li>Community assistance and empowerment</li> <li>Management of economic, social and environmental impacts</li> </ul>	<b>Providing Information, Transactions, Consultations, Negotiations, Engagement, Collaboration, and Empowerment</b> <ul style="list-style-type: none"> <li>Socialization of AMDAL; regular meetings with community members; reports; CSR/TJSL implementation website</li> <li>Receiving community input during the AMDAL process;</li> <li>Community engagement in planning, implementing, and monitoring and evaluating CSR/TJSL and community development</li> <li>Cooperating in multi-stakeholder initiatives with local communities, universities, local governments, partnerships with other institutions</li> </ul>





**Note:** The identification method is based on the AA1000, 2018 Stakeholder Engagement Process:

- Dependency (D): AKR is dependent on a person or an organization, or vice versa
- Responsibility (R): AKR has a legal, commercial or ethical responsibility towards a person or an organization
- Tension (T): A person or an organization has influence over AKR regarding certain economic, social or environmental issues
- Diverse Perspective (DP): A person or an organization has influence over AKR or the strategies or policies of other stakeholders
- Proximity (P): A person or an organization has geographic and operational proximity to AKR
- Influence (I): A person or an organization has influence over AKR or other stakeholders' strategies or policies

## SUSTAINABILITY STRATEGIC PRIORITIES AND SDG TARGET MAPPING | COMPASS

AKR's sustainability policy was formulated to support the achievement of 17 Sustainable Development Goals (SDGs). AKR has mapped out its SDGs targets to be aligned with our operations, so that the Company will have a significant positive impact on achieving the SDGs, both at the local level, namely in our operational areas, and at the national level.

In realizing sustainability, each of the 4 main pillars set by the Company focuses on achieving the SDGs goals. A description is as follows:

Pilar Keberlanjutan AKR AKR's Sustainability Pillars	Tujuan SDGs SDGs Goals
<b>Our business portfolio</b>   	<ul style="list-style-type: none"> <li>• Becoming involved in climate change anticipation strategy with biodiesel becoming mandatory as transitional energy, and reducing industrial emissions in the special economic zones</li> <li>• Encouraging technology development to achieve operational excellence in biodiesel distribution</li> <li>• Investing in Infrastructure projects, such as the Java Integrated Industrial and Industrial Port Estate (JIPE) Special Economic Zone (SEZ) projects to encourage inclusive and sustainable industrialization, increase job creation and gross domestic product, and encourage industrial growth</li> <li>• Providing access to cleaner and/or renewable energy to industries in the JIPE SEZ</li> <li>• Establishing partnerships to provide access to low emission fuel for the communities through bp AKR Stations</li> </ul>
<b>Our people</b>    	<ul style="list-style-type: none"> <li>• Ensuring occupational safety and health, and supporting employee welfare</li> <li>• Ensuring employees receive inclusive and quality training and education</li> <li>• Prioritizing gender equality throughout all of the Company's workplaces</li> <li>• Supporting inclusive and sustainable economic growth in the workplace</li> </ul>
<b>Our communities</b>     	<ul style="list-style-type: none"> <li>• Reducing poverty rates through social responsibility and community empowerment programs around the operational areas</li> <li>• Ensuring a healthy life, and supporting the welfare of the surrounding communities</li> <li>• Ensuring the fulfillment of inclusive and quality education for the surrounding communities</li> <li>• Prioritizing the principles of gender equality</li> <li>• Supporting inclusive and sustainable economic growth for the self-sufficiency and welfare of the surrounding communities.</li> </ul>
<b>Our conduct</b>  	<ul style="list-style-type: none"> <li>• Supporting peaceful and inclusive societies for sustainable development</li> <li>• Strengthening implementation measures and revitalizing the global partnership for sustainable development</li> </ul>



## 2022 SUSTAINABILITY PERFORMANCE HIGHLIGHTS



ECONOMY ASPECT

### Net Profit

**Rp2,403** Billion

### Total Economic value distribute

**Rp45,936** Billion



ENVIRONMENTAL ASPECT



### Amount of Renewable Energy used in AKR's operations

**35,304.15 GJ**

### Total Emission Scope 1,2, and 3

**84,453.36**  
ton CO<sub>2</sub> eq



SOCIAL ASPECT

### Number of AKR Employees

**2,645**



### Board of Directors composition are Women

**43%**



### Total Safe Working Hours

**13.99** Million



Income Tax, Final Tax, and Final Tax Related to Financial Income, increased more than 2 times compared to the previous period

**Rp616.22** Billion **100.66%**

Dividend Distributed

**Rp828.96** Billion

Domestic Component Level (TKDN) Land Transportation Fleet

**100%**



Energy Consumption inside organization

**3.3%**

**335,668.46** GJ



Total Environmental Expenditures

**Rp6+** Billion



Total volume of recycled water by JTT and ARUKI in their water conservation efforts

**7.9** million litre

Safe Mileage Without Accident (AKR Logistic)

**12.28** Million Km

AKR Trading Gross Profit allocated to CSR

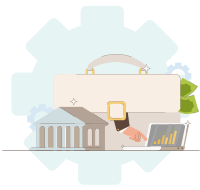
**0.5%**

CSR Fund Realization in 2022

**Rp22+** Billion

Total funds for COVID-19 prevention activities and other health initiatives to reduce employee health risks.

**Rp5.13+** Billion



## PORTFOLIO

ECONOMIC VALUE	2022	2021	2020
economic value distributed	45,936,264,328	25,176,313,094	17,269,380,550
Economic value retained	1,747,042,073	624,824,489	576,828,934
ENVIRONMENT	2022	2021	2020
Energy Consumption	569,273.73	586,938.48	695,046.77
Emissions			
Scope 1	18,145.53	17,878.27	29,266.36
Scope 2	14,395.54	12,464.93	12,266.09
Scope 3	51,912.28	53,252.87	48,682.82
Emission Intensity (Ton CO2 eq/ Rp Million)	0.020	0.036	0.044
Total Water Withdrawal (m3)	614,359	450,943	193,197
B3 Waste (ton)	807	433	521
Non-B3 Waste (ton)	2,986	2,181	2,250



## PEOPLE

Indicator	2022	2021	2020
Total Employee	2,645	2,613	2,548
Recruitment	439	446	344
Average hours of training/ employee			
Male	12.7	27.75	3.56
Female	36.2	15.16	7.84
Safe Working Hours (K3)	13,999,742	12,565,738	11,220,598



## COMMUNITY

Indicator	2022	2021	2020
Company CSR Fund (Rp)	22,852,287,343	28,527,958,498	22,528,953,292







# A Year of Growth and Resilience

