REMAINING FOCUSED IN CHALLENGING TIMES
Welcome to the Annual Report of PT AKR Corporindo Tbk for fiscal year 2020 with the theme “Remaining Focused in Challenging Times”. The theme explains how AKR was able to deliver a strong operational and financial performance in 2020, despite challenges posed by Covid-19. We adapted and remained agile in the midst of uncertainty. The robust Continuity of Business protocols enabled us to serve our customers without disruption. Investments made in our logistic network, new businesses, Information Technology Platform, and Human Resources enabled our management to adjust to the New Normal quickly. Meanwhile, Management continued to prioritize implementing best practices in Environmental, Social, and Governance (ESG) initiatives.

The objective of this report is to assist all stakeholders in better understanding the operational activities, financial performance, ESG initiatives, and the strategic direction of the Company towards a better future.
# TABLE OF CONTENTS

1. Table of Contents
2. About AKR
6. Commitment to Managing Sustainability
7. 2020 Strategy
8. 2020 Achievement
9. Awards and Certification
10. General Information & Corporate Identity
11. Brief History of the Company
12. List of Address of Offices, Subsidiaries, and Associates
14. Business Segments, Products and Services, and Market Coverage
17. Organizational Structure
18. Vision, Mission, Values and Paradigms
19. Meaning Behind Company Logo
20. Milestones
22. Financial Highlights
26. Share Highlights
29. Board of Commissioners’ Report
35. Board of Directors’ Report
42. Operation Segment: Segmentation based on Business Activities
51. Human Resources
55. Information Technology
57. Good Corporate Governance
60. Sustainability Commitment
ABOUT AKR

Over six decades, AKR has transformed from a basic chemical trading business to become one of the major logistics and supply chain network companies in Indonesia.

AKR is a leading logistics & supply chain service provider in Indonesia that distributes petroleum products and basic chemicals. AKR continues to strengthen logistics and supply chain networks throughout Indonesia. The logistics infrastructure network includes 15 sea and river ports as well as storage tanks at 22 points in the Indonesian archipelago. The Company has an information technology platform to monitor the movement, inventory position, and condition of products from upstream to downstream - from purchase to consumer hands. The strength that has been built for 60 years has enabled AKR to reach thousands of industrial customers in Indonesia.
AKR distributes Petroleum and basic chemicals which are essential raw materials and energy needed by various industrial customers covering the entire spectrum of Indonesian industry. The Company has delivered consistent result despite the various price and commodity. Risk management is an important part of AKR’s business model and the Company has delivered consistent results across various commodity and exchange cycles. The business model and product range 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 trade segments, AKR is also developing new logistics-based businesses with partners in the JIPE integrated port & industrial area, retail fuel, and aviation fuel.
REMAINING FOCUSED IN CHALLENGING TIMES

PETROLEUM TRADING AND DISTRIBUTION

LOGISTIC INFRASTRUCTURE

BASIC CHEMICALS TRADING AND DISTRIBUTION

MANUFACTURING
COMMITMENT TO MANAGING SUSTAINABILITY

Along with its expanding business coverage, AKR is now strengthening its Environmental, Social, and Corporate Governance (ESG) in every aspect of operations and business management. The enhancement of these three aspects will result in sustainable growth.

Sustainability Governance
AKR has charted the impacts of its operations and business, and strives to formulate the appropriate policies on each impact in order to maintain sustainable business growth.

Fair Operation
AKR follows the practices of Corporate Governance that are primarily reflected in its anti-corruption principles, avoidance of unfair business competition, and transparent mechanism on procurement of goods and services.

Fulfillment of Human Rights & Employee Rights on an Equal Basis
In managing its operations and business, AKR adopts Human Rights as a fundamental right of living for all stakeholders, regardless of age, gender, race, ethnicity, or religion.

Environment
AKR evaluates and monitors the environmental impact of its products and operations to minimize damage and greenhouse emissions.

Occupational Health and Safety
As one of its closest stakeholders, employees are a fundamental part of AKR’s focus on growing together.

Product Quality and Customer Service
The quality of products and services always comes first and will always be in direct proportion to customer satisfaction.

Social Community Development
AKR realizes that the Company is part of the community and therefore continues to make a positive contribution to the community, especially those around the business area.
2020 Strategy

Ensuring the continuation of business operations with disciplined risk management.

Continuing our growth initiatives by expanding our existing businesses and alliances and joining hands with new partners.

Delivering consistently to all stakeholders, paying regular Dividends to Shareholders, supporting Government through taxes, and investing for growth and implementing ESG initiatives.
2020 Achievement

925 Billion Rupiah
Net profit in 2020 increased 30% from 2019 of Rp714 billion

233,53
Earning per Share
Increased 30% from 2019 of Rp180.28 per share

1,067 Billion Rupiah
Net cash provided by operating activities increased 62% from 2019 of Rp660 billion

0.22x
Strong Balance Sheet
The portion of liabilities to equity fell from 0.27x to 0.22x

idAA-
Rating for AKR Bond
Pefindo affirmed ratings for PT AKR Corporindo Tbk and its Bond with a stable outlook

16
Addition of 3 BP-AKR gas stations, making a total of 16 in 2020

ISO 9001 - 2015
AKR received ISO 9001 - 2015 certification from Lloyd’s Register for Trading Business and Industrial Petroleum Distribution

+100,000 KL
JTT officially increases its storage capacity by 100,000 KL, bringing the total storage tank capacity to 818,779 KL

KEK JIIPE
The application for JIIPE as a Special Economic Zone has reached the National Council level, one step before being approved by the President of the Republic of Indonesia

Zero Accident Award
Award for working hours without accidents by the Ministry of Manpower of the Republic of Indonesia: AKR Lampung, Banjarmasin, Stagen, Palaran and Bitung Branch

Low Turnover Rate
In the midst of a pandemic, AKR did not carry out layoffs unilaterally

PROPER Biru
Blue PROPER achievement from Ministry of Environment for AKR Lampung & JTT
AWARDS AND CERTIFICATION

First Rank for Corporate Secretary & Communication - V 2020 in the category of Public Company in the Trade, Service, Industry sector from Economic Review Magazine

BPH Migas 2020 Award
The Largest Contributor Business Entity in the Fuel Sector

BPH Migas 2020 Award
Volume Verification Reporting Compliance on Fuel Business Entity

Port Authority 2020 Award, JTT as a Terminal Operator with Original Innovation Idea

Sertifikasi ISO 9001:2015
Industrial Petroleum Trading & Distribution Management System
Issued by: PT. Lloyd’s Register Indonesia, July 9, 2020 - July 8, 2023

IR Magazine Awards in 2021
a. Best Overall IR (Small Cap)
b. Best IR Officer (Small Cap)

2020 Oil and Gas Safety Award, Patra Nirbhaya Karya Utama Adinugraha III

AKR’s HR Division received Third Rank for Best Human Capital in a Public Company in the Non-Finance Industry sector (Gold Award) from Economic Review Magazine

IR
**GENERAL INFORMATION AND CORPORATE IDENTITY**

<table>
<thead>
<tr>
<th>Company Name</th>
<th>PT AKR Corporindo Tbk</th>
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</thead>
<tbody>
<tr>
<td>Short Name</td>
<td>AKR</td>
</tr>
<tr>
<td>Establishment Date</td>
<td>November 28, 1977</td>
</tr>
<tr>
<td>Legal Basis of Establishment</td>
<td></td>
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<tr>
<td>Description</td>
<td></td>
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<tr>
<td>Status/Legal Entity</td>
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<td>Business Segment</td>
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<tr>
<td>- Trading and Distribution</td>
<td></td>
</tr>
<tr>
<td>- Logistic Services</td>
<td></td>
</tr>
<tr>
<td>- Manufacturing</td>
<td></td>
</tr>
<tr>
<td>- Industrial Estate</td>
<td></td>
</tr>
<tr>
<td>Shareholders</td>
<td></td>
</tr>
<tr>
<td>- 59.60% PT Arthakencana Bayatama</td>
<td></td>
</tr>
<tr>
<td>- 0.66% Management</td>
<td></td>
</tr>
<tr>
<td>- 38.06% Public</td>
<td></td>
</tr>
<tr>
<td>- 1.68% treasury stock</td>
<td></td>
</tr>
<tr>
<td>Authorized Capital</td>
<td></td>
</tr>
<tr>
<td>Rp750,000,000,000, divided into 7,500,000,000 shares, each share has a nominal value of Rp100.</td>
<td></td>
</tr>
<tr>
<td>Paid Up Capital</td>
<td></td>
</tr>
<tr>
<td>Rp401,469,492,000 comprising 4,014,694,920 shares with a nominal value of Rp100 per share of the nominal value of any shares issued by the Company.</td>
<td></td>
</tr>
<tr>
<td>Listing Date on Stock Exchange</td>
<td></td>
</tr>
<tr>
<td>Indonesia Stock Exchange, 3 October 1994</td>
<td></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Stock Code</th>
<th>AKRA</th>
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<table>
<thead>
<tr>
<th>Bond Code and Rank</th>
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</thead>
<tbody>
<tr>
<td>- Shelf Registration Bonds I AKR Corporindo 1st Tranche Year 2017 With Fixed Rate A Series (has been paid off on July 7, 2020)</td>
</tr>
<tr>
<td>- Shelf Registration Bonds I AKR Corporindo 1st Tranche Year 2017 With Fixed Rate B Series</td>
</tr>
<tr>
<td>- Shelf Registration Bonds I AKR Corporindo 1st Tranche Year 2017 With Fixed Rate C Series</td>
</tr>
<tr>
<td>- idAA- rating</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business Network</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Company has 13 branch offices located in Kalimantan, Java-Bali, Sumatra and Sulawesi. The Company’s storage tanks are located at 20 points throughout the archipelago.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Total Employees of AKR and Subsidiaries</th>
<th>2,545 people</th>
</tr>
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</table>

<table>
<thead>
<tr>
<th>Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>AKR Tower lantai 26</td>
</tr>
<tr>
<td>Jl. Panjang No. 5 Kebon Jeruk</td>
</tr>
<tr>
<td>Jakarta Barat 11530, Indonesia</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>+62 21 5311110</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Facsimile</th>
</tr>
</thead>
<tbody>
<tr>
<td>+62 21 5311388, 5311185</td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="mailto:corporate.secretary@akr.co.id">corporate.secretary@akr.co.id</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Website</th>
</tr>
</thead>
<tbody>
<tr>
<td><a href="http://www.akr.co.id">www.akr.co.id</a></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Corporate Contact</th>
</tr>
</thead>
<tbody>
<tr>
<td>Corporate Secretary</td>
</tr>
<tr>
<td>Tel. +62 21 5311110</td>
</tr>
<tr>
<td>Fax. +62 21 53111185</td>
</tr>
<tr>
<td>Email: <a href="mailto:corporate.secretary@akr.co.id">corporate.secretary@akr.co.id</a></td>
</tr>
</tbody>
</table>
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, so that starting in 2018 the Company was reappointed as the Implementing Business Entity for P3JBT (Executor for the Provision and Distribution of Certain Types of Fuel Oil (BBM) for 5 years. The Company has 132 SPBKB and SPBN outlets scattered in various parts of Indonesia including in the 3T area (Outermost, Frontier, Disadvantaged). The Company continues to expand its market reach and customer base through partnerships with several well-known partners in their fields.

Since 2013 the Company has started to collaborate with Pelindo 3 for the JIIPE project in East Java. The Java Integrated Industrial Port Estate is a project designed to become one of the largest integrated industrial, residential and deep sea port estates in Indonesia. Strategically located in Gresik, East Java, JIIPE is designed complete with a sea port in support of facilities and infrastructure. This project through PT Berkah Kasawan Manyar Sejahtera (BKMS) develops industrial estates, while its sister company PT Berlian Manyar Sejahtera (BMS) handles sea port operations. AKR indirectly owns 60% of the company’s shares through UEPN, while Pelindo III indirectly owns 40% through BJTI.

The Company also collaborated in 2017 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. Until the end of 2020, there were 16 (sixteen) 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.

Chronology of Name Changes and Legal Status
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 has changed its legal status to a public company since 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 the Deed No. 163 dated May 16, 1994, made before Poerbaningsih Adi Warsito, SH, Notary in Jakarta, that had received approval of Minister of Justice of the Republic of Indonesia in accordance with the Decree dated August 23, 1994, Number C2-12686.HT.01.04.Th.94.
- 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 has been recorded in Deed No. 36 dated September 23, 2004, made before Doctor Amrul Partomuan Pohan, SH, LLM, Notary in Jakarta, that was approved by Minister of Justice and Human Rights of the Republic of Indonesia in accordance with the Decree dated September 29, 2004, Number C -24263 HT.01.04.TH 2004.
SUMMARY REPORT 2020

REMAINING FOCUSED IN CHALLENGING TIMES

LIST OF ADDRESS OF OFFICES, SUBSIDIARIES, AND ASSOCIATES

**Kantor Pusat | 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

**Kantor Cabang/Perwakilan Branch/Representative Offices**

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

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

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

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

**CIWANDAN**
Jl. Pelindo II Ciwandan Gilegon 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

**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

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

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

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

**PALEMBANG**
Jl. Belabak 36A/ 3 Ilir Palembang 30116,
Indonesia
Telp: +62 711 717636, 717644, 717645
Fax: +62 711 710072
Terminal/Transportasi/Gudang
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 5659, 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

Entitas Anak
Subsidiaries

PT AKR NIAGA INDONESIA
AKR Tower Lt .26
Jl. Panjang No.5, Kebon Jeruk, Jakarta Barat
11530, Indonesia
Telp: +62 21 531 1110
Fax: +62 21 5366 2225

PT AKR TRANSPORTASI INDONESIA
AKR Tower Lt .26
Jl. Panjang No. 5 Jakarta Barat 11530,
Indonesia
Telp: +62 21 531 1110
Fax: +62 21 5366 2225

PT ANDAHANESA ABADI
AKR Tower LT .26
Jl Panjang No. 5 Jakarta Barat 11530,
Indonesia
Telp: +62 21 531 1110

PT ANUGRAH KARYA RAYA
Wisma AKR Lt.3
Jl. Panjang No. 5 Jakarta Barat 11530,
Indonesia
Telp: +62 21 531 1145
Fax: +62 21 5366 2225

PT ARJUNA UTAMA KIMIA
Jalan Timur Raya No. 2
Tanjung Priok, Jakarta Utara 14310,
Indonesia
Telp: +62 21 4390 4002
Fax: +62 21 4390 4017, 4393 4473

PT USHA ERAS PRATAMA NUSANTARA
JL Perak Timur No 298B
Kelurahan Perak Utara Kecamatan Pabean
Cantikkan
Surabaya 60165, Indonesia
Telp: +62 31 3284727, 3284729
Fax: +62 31 3284726

PT BERKAH KAWASAN MANYAR SEJAHTERA
Jl. Raya Manyar Km 11, Desa Manyarejo,
Kecamatan Manyar
Kabupaten Gresik Jawa Timur 61151,
Indonesia
Telp: +62 31 985 40999
Fax: +62 31 985 40993

PT BERLIAN MARYAN SEJAHTERA
Gapura Surya Nusantara Lt.2, Jl. Perak Timur
No.620,
Surabaya 60164
Telp: +62 31 99097788

PT TERMINAL NILAM UTARA
Jl. Nilam Utara, Pabean Cantikan,
Tanjung Perak, Surabaya, Indonesia
Telp: +62 31 99094737

PT ANUGERAH KRIDA RETAILINDO
AKR Tower Lt 26
Jl. Panjang No.5, Kebon Jeruk
Jakarta Barat 11530, Indonesia
Telp: +62 21 531 1110

PT ANEKA PETROINDO RAYA
AKR Tower Lt 25
Jl. Panjang No.5, Kebon Jeruk
Jakarta Barat 11530, Indonesia
Telp: +62 21 2212 8155

PT DIRGANTARA PETROINDO RAYA
AKR Tower Lt 25
Jl. Panjang No.5, Kebon Jeruk
Jakarta Barat 11530, Indonesia
Telp: +62 21 2253 8060

PT ANUGERAH LUBRINDO RAYA
AKR Tower Lt .29
Jl. Panjang No.5, Kebon Jeruk
Jakarta Barat 11530, Indonesia
Telp: +62 21 531 1110

PT ANUGERAH LUBRINDO BATAM
Kawasan Pertokoan Citra Nusa Niaga Blok
D5 No. 12B
Jl. Hang Tuah Kesturi KM 4,5
Batam, Indonesia

LUBRINDO SHIPPING SERVICES Pte. Ltd
190 Middle Road #14-02 Fortune Centre
Singapore 188979

PT ANUGERAH KIMIA INDONESIA
AKR Tower Lt.21
Jl. Panjang No.5, Kebon Jeruk
Jakarta Barat 11530, Indonesia
Telp: +62 21 531 1110

Summary Report 2020 PT AKR Corporindo Tbk
BUSINESS SEGMENTS, PRODUCTS AND SERVICES, AND MARKET COVERAGE

BUSINESS FLOW

BUSINESS SEGMENT, PRODUCTS AND SERVICES
In conducting its business, the Company categorized its main business types into 4 (four) segments as follows:

1. TRADING AND DISTRIBUTION
   - Industrial Non-Subsidized Petroleum
   - Retail Subsidized Petroleum
   - Basic Chemicals
   - Lubricants
   - Aviation Fuel
2. LOGISTIC SERVICES

<table>
<thead>
<tr>
<th>Service Type</th>
</tr>
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<tbody>
<tr>
<td>Bulk Handling Services</td>
</tr>
<tr>
<td>Container Handling Services</td>
</tr>
<tr>
<td>Land and Sea Transportation</td>
</tr>
<tr>
<td>Tank Storage</td>
</tr>
<tr>
<td>Vendor Managed Inventory</td>
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<tr>
<td>Warehousing</td>
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</tbody>
</table>
3. MANUFACTURING

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Brand Name</th>
<th>Utilities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urea-formaldehyde Resin</td>
<td>Uloid</td>
<td>Plywood &amp; wood lamination</td>
</tr>
<tr>
<td>High Solid Urea-formaldehyde Resin</td>
<td>Uloid</td>
<td>Particle Board and MDF</td>
</tr>
<tr>
<td>Melamine-formaldehyde Resin</td>
<td>Uloid</td>
<td>Plywood &amp; wood lamination</td>
</tr>
<tr>
<td>Planol-formaldehyde Resin</td>
<td>Uloid</td>
<td>Plywood &amp; wood lamination</td>
</tr>
<tr>
<td>Two Component Vinyl Urethane Adhesive</td>
<td>Struct bond</td>
<td>Wood working, Furniture, Flooring &amp; FJLB</td>
</tr>
<tr>
<td>Polyachrylamide Monomer (PAM) Resin</td>
<td>HOFMANN</td>
<td>High performance dry strength enhancement resin for paper</td>
</tr>
<tr>
<td>Polyachrylamide Monomer (PAM) Resin</td>
<td>HOPELON</td>
<td>High performance dry strength enhancement resin for paper</td>
</tr>
<tr>
<td>Melamine Resin</td>
<td>URAMIN</td>
<td>Paper wet strength improvement resin</td>
</tr>
<tr>
<td>Poly Vinyl Acetate</td>
<td>PVAc</td>
<td>Multipurpose glue for wood and paper</td>
</tr>
</tbody>
</table>

4. INDUSTRIAL ESTATE

As part of its expansion strategy, AKR is currently investing in Java Integrated Industrial and Port Estate (JIIFE) in Gresik, East Java, to provide logistic and energy solutions for industrial customers. JIIFE 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.

Industrial Estate and Integrated Port

<table>
<thead>
<tr>
<th>Product Type</th>
<th>Service Type</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Power Plant</td>
</tr>
<tr>
<td></td>
<td>Water Treatment Plant</td>
</tr>
<tr>
<td></td>
<td>Waste Water Treatment Plant</td>
</tr>
<tr>
<td></td>
<td>Gas</td>
</tr>
<tr>
<td></td>
<td>Fiber Optic</td>
</tr>
<tr>
<td></td>
<td>Port Services</td>
</tr>
<tr>
<td>Utilities &amp; Infrastructures</td>
<td></td>
</tr>
</tbody>
</table>
ORGANIZATIONAL STRUCTURE

BOARD OF COMMISSIONERS & SUPPORTING COMMITTEES
Soegiarto Adikoesoemo
President Commissioner

INDEPENDENT COMMISSIONER
Fauzi Ichsan

COMMISSIONER
I Nyoman Mastra

AUDIT COMMITTEE
Fauzi Ichsan
Sahat Pardede
Djisman Simandjuntak

NOMINATION & REMUNERATION COMMITTEE
Fauzi Ichsan
Soegiarto Adikoesoemo
I Nyoman Mastra
Bambang Syumanjaya

BOARD OF DIRECTORS
Haryanto Adikoesoemo
President Director

Jimmy Tandyo
CEO
Petroleum, Chemicals & Logistics

Mery Sofi
Deputy CEO
Petroleum, Chemicals & Logistics

Bambang Soetiono S.
Director
UEPN, JIPE, AST, ATI, External Relations

Suresh Vembu
Director & Corporate Secretary, Business Development and JV Relationships

Nery Polim
Director
West Region

Termurti Tiban
Director
Finance & Accounting

PETROLEUM, BASIC CHEMICALS & LOGISTICS

OPERATIONS
Joseph Galolo Pangilinan
Head of Network & Operations
Mahdi Kadir
Tank Terminal & Warehouse Ops
Yuwono
Ongkowijono
Network & Distribution
Erpiny
Operations Services & Improvement

HUMAN RESOURCES
Bambang Syumanjaya
Head of Human Resources & Improvement

INFORMATION TECHNOLOGY
Teddy Wusp
Head of IT Division
Laksana Irwanto
Business Partner & Management Office

LEGAL
Toni Butar Butar
Litigation
Harriyati Utami
Corporate Legal
Anthony Brishiropta
Licencing & Permits

TRANSFORMATION MANAGEMENT OFFICE
Tiffany Adikoesoemo

CHEMICALS
Ongkowijono
Head of Chemical and Logistic Division

PETROLEUM
Johnny W Sutanto
Head of Petroleum & Gas Division
Junisa
Planning
Ir Lie Hartono Jaya L
Key Account Mgmt

PROCUREMENT
(MON TRADE)
Silvia Liwang
Non Trade

FINANCE
Melyati Yuwono
Financial Controller

Hengky Kartawinata
Treasury
Paul
Receivable Management

PROCUREMENT
(NON TRADE)
Silvia Liwang
Non Trade

HEAD OFFICE

Ankur Jain
Head of Corporate Finance
Salman Ali
Head of Investor Relations

Antonius Setiawan
Head of Quality Assurance & Risk Management
Aloysius Yuwono
Human Resources Group

JOINT VENTURES & SUBSIDIARIES

Gosh Surojit
President Director
PT Arjuna Utama Kimia
Naresh Anchalia
Director Operation
PT Berkah Kawan
Maniy Sajeherta
Peter Molloy
President Director
PT Aneka Petroindo Raya
Mulladi Haji
President Director
PT Anugerah Kimia Indonesia

Lars Schaumann
President Director
PT Jakarta Tank Terminal
Virita
President Director
PT Dirgantara Petroindo Raya
Roy Tanudjaja
President Director
PT Arunegah Lubrindo Raya
SUMMARY REPORT 2020
REMAINING FOCUSED IN CHALLENGING TIMES

VISION, MISSION, VALUES AND PARADIGMS

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.

Review and Approval from the Board of Commissioners and Board of Directors on Corporate Vision and Mission
The Board of Commissioners and the Board of Directors have reviewed the Company’s Vision and Mission and stated that the Vision and Mission remain in line with the Company’s long-term goals. The review and approval on Corporate Vision and Mission is set forth in the management contract that has been reviewed and approved every year.

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 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.
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

MILESTONES

1960
Basic chemicals business was established in Surabaya

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

1960-1990

1980
The Company commenced building storage tanks for basic chemicals and warehouses in several major ports in Indonesia

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

1980-1990

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

2000-2016

2005
The Company became the first national private company to distribute non-subsidized petroleum in Indonesia

2006
• The Company acquired and commenced operations in river ports in China
• The Company purchased its first fuel tanker, SPOBAKRA 10

2010
• The Company became the first national private company to distribute subsidized petroleum in Indonesia through operation of the petrol stations for motorists (SPKB) 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

2016
• JIIPE has been selected for government’s KLIK program
• Signed JV for aviation business
• Commissioned JIIPE port

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
• PT Berlian Sejahtera shipping acquired a 75-year Concession in China

2019
• PT Berlian Pintar and AKR Corporindo signed a Joint Venture Agreement in the field of transportation under the name PT Berlian AKR Logistics

2020
• PT Berlian Pintar and AKR Corporindo signed a Joint Venture Agreement in the field of transportation under the name PT Berlian AKR Logistics
2018
• AKR was appointed as a P3JBT Executing Agency for 5 years
• The Company handed over the land of Khalista for auction in China and completed the process of divestment
• JIIPE was inaugurated as one of the national strategic projects
• JTT Phase 2A Project additional capacity of 100,000 KL officially began
• First AKR BP gas station opened in De Latinos, Serpong

2019
• Commissioned 13 new BP AKR Gas Stations
• Handover of Land for the 103 Ha Smelter project to Freeport
• BKMS and Waskita Bumi Wira signed a Memorandum of Understanding on the Development of JIIPE Toll Road Access
• Opening of Plane Aviation Terminal of JV Air BP-AKR in Morowali, Central Sulawesi
• JIIPE Industrial Estate, through PT Berkah Kawasan Manyar Sejahtera, obtained Integrated ISO Certification

2018-2020
• 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
• Opening of the 16th BP-AKR gas station and entering into DODO dealer development
• The application for JIIPE as a Special Economic Zone has reached the National Council level, one step before being approved by the President of the Republic of Indonesia
• Soft launching of Air BP - AKR’s 2nd aviation fuel depot

2020
• AKR obtained ISO Certification for the Industrial Fuel Trading & Distribution Management System
• BP-AKR and Citinine Property Developer signed an Agreement to build a DODO gas station in East Java
• AKR and PETRONAS Chemicals Group Berhad through their respective subsidiaries established a joint venture to distribute chemicals in Indonesia

Summary Report 2020 PT AKR Corporindo Tbk
REMAINING FOCUSED IN CHALLENGING TIMES

Summary Report 2020

FINANCIAL HIGHLIGHTS

Consolidated Statement of Profit or Loss and Other Comprehensive Income

<table>
<thead>
<tr>
<th>(In billion Rupiah, unless stated otherwise)</th>
<th>2020</th>
<th>2019</th>
<th>2018</th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and Revenues</td>
<td>17,716</td>
<td>21,703</td>
<td>23,548</td>
<td>18,288</td>
<td>15,213</td>
</tr>
<tr>
<td>Gross Profit</td>
<td>2,048</td>
<td>1,892</td>
<td>1,555</td>
<td>1,867</td>
<td>1,875</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>1,258</td>
<td>1,095</td>
<td>936</td>
<td>1,137</td>
<td>1,175</td>
</tr>
<tr>
<td>Profit for the Year</td>
<td>962</td>
<td>703</td>
<td>1,597</td>
<td>1,305</td>
<td>1,047</td>
</tr>
<tr>
<td>Profit for the Year Attributable to Equity Holders of Parent Entity</td>
<td>925</td>
<td>717</td>
<td>1,645</td>
<td>1,202</td>
<td>1,011</td>
</tr>
<tr>
<td>Profit for the Year Attributable to Non-controlling Interests</td>
<td>37</td>
<td>(14)</td>
<td>(48)</td>
<td>103</td>
<td>36</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year</td>
<td>972</td>
<td>656</td>
<td>1,613</td>
<td>1,341</td>
<td>901</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year Attributable to Equity Holders of Parent Entity</td>
<td>929</td>
<td>688</td>
<td>1,644</td>
<td>1,235</td>
<td>878</td>
</tr>
<tr>
<td>Total Comprehensive Income for the Year Attributable to Non-Controlling Interests</td>
<td>43</td>
<td>(32)</td>
<td>(31)</td>
<td>106</td>
<td>23</td>
</tr>
<tr>
<td>Earnings per Share (full amount in Rupiah)</td>
<td>234</td>
<td>180</td>
<td>413</td>
<td>303</td>
<td>255</td>
</tr>
</tbody>
</table>

Sales and Revenues (Rp billion)

Gross Profit (Rp billion)

Operating Profit (Rp billion)

Profit for the year Attributable to Equity Holders of the Parent Entity from continued operation (Rp billion)
## Earning per Share (Rp)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>235</td>
<td>303</td>
<td>413</td>
<td>180</td>
<td>234</td>
</tr>
</tbody>
</table>

## Consolidated Statement of Financial Position

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Working Capital</td>
<td>2,940</td>
<td>2,065</td>
<td>3,206</td>
<td>3,387</td>
<td>1,576</td>
</tr>
<tr>
<td>Investments in Associates</td>
<td>394</td>
<td>419</td>
<td>412</td>
<td>410</td>
<td>456</td>
</tr>
<tr>
<td>Current Assets</td>
<td>8,042</td>
<td>10,778</td>
<td>11,269</td>
<td>8,816</td>
<td>7,391</td>
</tr>
<tr>
<td>Non-Current Assets</td>
<td>10,641</td>
<td>10,631</td>
<td>8,672</td>
<td>8,007</td>
<td>8,439</td>
</tr>
<tr>
<td>Total Assets</td>
<td>18,684</td>
<td>21,409</td>
<td>19,941</td>
<td>16,823</td>
<td>15,831</td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>5,102</td>
<td>8,713</td>
<td>8,063</td>
<td>5,429</td>
<td>5,816</td>
</tr>
<tr>
<td>Non-Current Liabilities</td>
<td>3,025</td>
<td>2,630</td>
<td>1,951</td>
<td>2,364</td>
<td>1,941</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>8,127</td>
<td>11,342</td>
<td>10,014</td>
<td>7,794</td>
<td>7,756</td>
</tr>
<tr>
<td>Equity Attributable to the Equity Holders of the Parent Entity</td>
<td>8,752</td>
<td>8,336</td>
<td>8,371</td>
<td>7,558</td>
<td>6,821</td>
</tr>
<tr>
<td>Non-Controlling Interests</td>
<td>1,804</td>
<td>1,731</td>
<td>1,556</td>
<td>1,472</td>
<td>1,253</td>
</tr>
<tr>
<td>Total Equity</td>
<td>10,556</td>
<td>10,067</td>
<td>9,927</td>
<td>9,030</td>
<td>8,074</td>
</tr>
</tbody>
</table>

## Cash Balance (Rp-billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1,367</td>
<td>1,771</td>
<td>2,171</td>
<td>1,861</td>
<td>1,549</td>
</tr>
</tbody>
</table>

## Total Assets (Rp-billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>15,831</td>
<td>16,823</td>
<td>19,941</td>
<td>21,409</td>
<td>18,684</td>
</tr>
</tbody>
</table>
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

Total Liabilities (Rp-billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities (Rp-billion)</td>
<td>7,756</td>
<td>7,794</td>
<td>10,014</td>
<td>11,342</td>
<td>8,127</td>
</tr>
</tbody>
</table>

Total Equity (Rp-billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Equity (Rp-billion)</td>
<td>8,074</td>
<td>9,030</td>
<td>9,927</td>
<td>10,067</td>
<td>10,556</td>
</tr>
</tbody>
</table>

Financial Ratios

<table>
<thead>
<tr>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Assets (%)</td>
<td>5.0</td>
<td>3.4</td>
<td>8.2</td>
<td>7.1</td>
<td>6.4</td>
</tr>
<tr>
<td>Return on Equity (%)</td>
<td>10.6</td>
<td>8.6</td>
<td>19.6</td>
<td>15.9</td>
<td>14.8</td>
</tr>
<tr>
<td>Net Profit Margin (%)</td>
<td>5.2</td>
<td>3.3</td>
<td>7.0</td>
<td>6.6</td>
<td>6.6</td>
</tr>
<tr>
<td>Current Ratio (times)</td>
<td>1.6</td>
<td>1.2</td>
<td>1.4</td>
<td>1.6</td>
<td>1.3</td>
</tr>
<tr>
<td>Total Liability to Equity (times)</td>
<td>0.8</td>
<td>1.1</td>
<td>1.0</td>
<td>0.9</td>
<td>1.0</td>
</tr>
<tr>
<td>Total Liability to Asset (times)</td>
<td>0.4</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
<td>0.5</td>
</tr>
<tr>
<td>Gross Profit Margin (%)</td>
<td>11.6</td>
<td>8.7</td>
<td>6.6</td>
<td>10.2</td>
<td>12.3</td>
</tr>
<tr>
<td>Operating Profit Margin (%)</td>
<td>7.1</td>
<td>5.0</td>
<td>4.0</td>
<td>6.2</td>
<td>7.7</td>
</tr>
<tr>
<td>Total Asset Turnover (times)</td>
<td>0.9</td>
<td>1.0</td>
<td>1.2</td>
<td>1.1</td>
<td>1.0</td>
</tr>
<tr>
<td>Net Gearing Ratio (times)</td>
<td>0.22</td>
<td>0.27</td>
<td>0.21</td>
<td>0.16</td>
<td>0.33</td>
</tr>
<tr>
<td>Price Earning Ratio (times)</td>
<td>11.6</td>
<td>23.9</td>
<td>11.4</td>
<td>21.8</td>
<td>26.5</td>
</tr>
</tbody>
</table>

Net Profit Margin (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Profit Margin (%)</td>
<td>6.6</td>
<td>6.6</td>
<td>7.0</td>
<td>3.3</td>
<td>5.2</td>
</tr>
</tbody>
</table>

Return on Equity (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Return on Equity (%)</td>
<td>14.8</td>
<td>15.9</td>
<td>19.6</td>
<td>8.6</td>
<td>10.6</td>
</tr>
<tr>
<td>Year</td>
<td>Liabilities to Equity (times)</td>
<td>Liabilities to Assets (times)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>------</td>
<td>------------------------------</td>
<td>-------------------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>1.0</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>0.9</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>1.0</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>1.1</td>
<td>0.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>0.8</td>
<td>0.4</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets Turnover (times)</th>
<th>Net Gearing Ratio (times)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>1.0</td>
<td>0.33</td>
</tr>
<tr>
<td>2017</td>
<td>1.1</td>
<td>0.16</td>
</tr>
<tr>
<td>2018</td>
<td>1.2</td>
<td>0.21</td>
</tr>
<tr>
<td>2019</td>
<td>1.0</td>
<td>0.27</td>
</tr>
<tr>
<td>2020</td>
<td>0.9</td>
<td>0.22</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Dividend Payout Ratio (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>45.8</td>
</tr>
<tr>
<td>2016</td>
<td>47.4</td>
</tr>
<tr>
<td>2017</td>
<td>66.7</td>
</tr>
<tr>
<td>2018</td>
<td>58.6</td>
</tr>
<tr>
<td>2019</td>
<td>61.6</td>
</tr>
</tbody>
</table>
**SHARE HIGHLIGHTS**

PT AKR Corporindo Tbk has listed and traded its shares on the Indonesia Stock Exchange since October 3, 1994.

### Information of AKRA's Shares 2016-2020

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Indonesia Stock Exchange</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market Capitalization (Rp Billion)</td>
<td>12,767</td>
<td>15,858</td>
<td>17,223</td>
<td>25,440</td>
<td>23,951</td>
</tr>
<tr>
<td>Highest Price (Rp)</td>
<td>3,990</td>
<td>5,875</td>
<td>6,575</td>
<td>8,025</td>
<td>8,450</td>
</tr>
<tr>
<td>Lowest Price (Rp)</td>
<td>1,405</td>
<td>3,220</td>
<td>3,220</td>
<td>5,650</td>
<td>5,675</td>
</tr>
<tr>
<td>Closing Price (Rp)</td>
<td>3,180</td>
<td>3,950</td>
<td>4,290</td>
<td>6,350</td>
<td>6,000</td>
</tr>
<tr>
<td>Trading Volume (Shares)</td>
<td>1,687,115,200</td>
<td>590,741,000</td>
<td>536,669,800</td>
<td>316,539,000</td>
<td>229,995,500</td>
</tr>
<tr>
<td>Outstanding Shares (Shares)</td>
<td>4,014,694,920</td>
<td>4,014,694,920</td>
<td>4,014,694,920</td>
<td>4,006,329,420</td>
<td>3,991,781,170</td>
</tr>
</tbody>
</table>

### Information on Movement of AKR Shares 2019-2020

<table>
<thead>
<tr>
<th>Period</th>
<th>Start Date</th>
<th>End Date</th>
<th>Shares Outstanding</th>
<th>Market Capitalization (Rp Billion)</th>
<th>Highest Share Price (Rp)</th>
<th>Lowest Share Price (Rp)</th>
<th>Closing Share Price (Rp)</th>
<th>Trading Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter I</td>
<td>1-Jan-2019</td>
<td>31-Mar-2019</td>
<td>4,014,694,920</td>
<td>18,990</td>
<td>5,875</td>
<td>4,160</td>
<td>4,730</td>
<td>436,794,700</td>
</tr>
<tr>
<td>Quarter II</td>
<td>1-Apr-2019</td>
<td>30-Jun-2019</td>
<td>4,014,694,920</td>
<td>16,420</td>
<td>4,950</td>
<td>3,810</td>
<td>4,090</td>
<td>365,177,000</td>
</tr>
<tr>
<td>Quarter III</td>
<td>1-Jul-2019</td>
<td>30-Sep-2019</td>
<td>4,014,694,920</td>
<td>15,256</td>
<td>4,440</td>
<td>3,670</td>
<td>3,800</td>
<td>461,815,900</td>
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<tr>
<td>Quarter IV</td>
<td>1-Oct-2019</td>
<td>31-Dec-2019</td>
<td>4,014,694,920</td>
<td>15,858</td>
<td>4,350</td>
<td>3,220</td>
<td>3,950</td>
<td>590,741,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Period</th>
<th>Start Date</th>
<th>End Date</th>
<th>Shares Outstanding</th>
<th>Market Capitalization (Rp Billion)</th>
<th>Highest Share Price (Rp)</th>
<th>Lowest Share Price (Rp)</th>
<th>Closing Share Price (Rp)</th>
<th>Trading Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Quarter I</td>
<td>1-Jan-2020</td>
<td>31-Mar-2020</td>
<td>4,014,694,920</td>
<td>7,929</td>
<td>3,990</td>
<td>1,405</td>
<td>1,975</td>
<td>683,975,700</td>
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<tr>
<td>Quarter II</td>
<td>1-Apr-2020</td>
<td>30-Jun-2020</td>
<td>4,014,694,920</td>
<td>10,197</td>
<td>2,700</td>
<td>1,695</td>
<td>2,540</td>
<td>1,150,988,500</td>
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<tr>
<td>Quarter III</td>
<td>1-Jul-2020</td>
<td>30-Sep-2020</td>
<td>4,014,694,920</td>
<td>10,237</td>
<td>3,110</td>
<td>2,400</td>
<td>2,550</td>
<td>1,160,701,200</td>
</tr>
<tr>
<td>Quarter IV</td>
<td>1-Oct-2020</td>
<td>31-Dec-2020</td>
<td>4,014,694,920</td>
<td>12,767</td>
<td>3,600</td>
<td>2,530</td>
<td>3,180</td>
<td>1,687,115,200</td>
</tr>
</tbody>
</table>
Infomation on Corporate Action on Shares
The Company did not conduct any action regarding stock split, reverse stock, bonus shares and changes in the nominal value of shares in 2020.

However, the Company carried out a Share Buyback Program for a period of three months starting from March 16 to June 12, 2020. A detailed description of the Company’s corporate actions can be seen in the section on chronology of issuance and listing of shares in the Company Profile chapter in this annual report.

Dividend Information

<table>
<thead>
<tr>
<th>Share Dividend</th>
<th>Dividend of 2019 Fiscal Year</th>
<th>Dividend of 2018 Fiscal Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash Dividend Paid Out</td>
<td>Rp441.61 billion</td>
<td>Rp963.53 billion</td>
</tr>
<tr>
<td>Dividend per Share</td>
<td>Rp110</td>
<td>Rp240</td>
</tr>
<tr>
<td>Dividend Payout Ratio</td>
<td>61.6%</td>
<td>58.6%</td>
</tr>
</tbody>
</table>

Decision of AGM and Board of Directors’ Decree
- Interim Dividend: July 26, 2019: Rp60 per share
- Interim Dividend: July 4, 2018: Rp120 per share
- Final Dividend: April 30, 2020: Rp50 per share
- Final Dividend: April 30, 2019: Rp120 per share
- Interim Dividend: Augustus 16, 2019: Rp60 per share
- Interim Dividend: August 3, 2018: Rp120 per share
- Final Dividend: June 3, 2020: Rp50 per share
- Final Dividend: May 17, 2019: Rp120 per share

Information on Temporary Suspension and/or Sanction on AKRA’s Share Trading and Elimination of Shares Registration
In 2020, AKRA shares have never received any sanction that might affect the share trading activities on the listed and traded Stock Exchange in any form including suspension of temporary stock trading (suspension). The Company has never delisted its shares.

AKRA IS A CONSTITUENT OF VARIOUS INDICES MSCI WORLD SMALL CAP, LQ45, KOMPAS 100, BISNIS-27, MNC-36, IDX ESG LEADERS.
The Board of Commissioners views that the Board of Directors has carried out the duties of managing the Company very well. We are uncertain when the pandemic in Indonesia will end, so in 2021 we urge the Board of Directors to remain vigilant and always focus on adapting to the New Normal.

Soegiarto Adikoesoemo  
President Commissioner
Dear respected Shareholders and Stakeholders,

Praise and gratitude to God Almighty. May His blessings and mercy always be bestowed on all of us. The Board of Commissioners is grateful that the Company has successfully concluded 2020 amidst extremely challenging global and national economic conditions. It is an honor, representing the Board of Commissioners of PT AKR Corporindo Tbk, to submit a supervisory report on the Company’s performance for the fiscal year 2020.

Assessment of the Board of Directors’ Performance

Economic conditions in 2020 encountered formidable challenges. The Covid-19 pandemic that occurred in the first quarter of 2020 has seriously affected all aspects of life, especially the mobility restriction policies implemented by almost all countries on different scales. For a while, a number of business sectors were paralyzed and from mid to late 2020 were still struggling to recover.

Facing extraordinary conditions that have never happened before, the Board of Directors took the necessary coordinated actions to find the best roadmap, sharing it with management to continue to grow the business. The Board of Directors focused on the appropriate strategic measures, so that the presence of the pandemic did not significantly disrupt the Company’s performance.

In a challenging operational environment, the Company produced a strong financial performance. This is due to the Board of Directors’ strategy that focused on risk management and increasing competitiveness through a number of strategic initiatives carried out by the Board of Directors over the last few years, including strengthening alliances, diversifying and expanding portfolios, and expanding the customer base so that the Company could continue to provide attractive value growth for shareholders.

During the early Covid-19 period, the Board of Directors began to apply and carefully monitor Operational Continuity protocols to ensure that the Company’s business could continue to run optimally. As such, AKR managed to maintain its growth momentum. Disciplined risk management was an aspect that has determined consistent achievement in 2020. Additionally, portfolio diversification and expansion of the customer base carried out by management also supported AKR’s growth in 2020. The Company’s operations are running smoothly as a result of development conducted on physical assets, information technology, and human resources. Separately, financial risk was well controlled thanks to the Board of Directors thoroughly maintaining leverage at a low level.

In 2020, the Company posted revenues of Rp17,716 billion, lower 18% compared to the previous year. Such a decline in revenue was due to lower oil and chemical prices. Even so, the Board of Directors has succeeded in proving that the Company’s risk management through its business model can still maintain the Company’s margins, regardless of global oil price movements. AKR Petroleum’s distribution business operates with a price and cost formula that is passed on to customers so that oil prices have a minimal impact on profitability. The growth in Gross Profit and Operating Profit were 8% and 15% respectively in 2020 compared to 2019, while the profit for the year attributable to owners of the parent company in 2020 was Rp925 billion with an Operating Profit margin of 7.1%.

With such performance achievement, the Board of Commissioners views that the Board of Directors has carried out the duties of managing the Company very well. We are uncertain when the pandemic in Indonesia will end, so in 2021 we urge the Board of Directors to remain vigilant and always focus on adapting to the New Normal.

The Board of Commissioners is very satisfied with the performance of the Board of Directors in managing expenses amid the pandemic. In 2020, the Company’s management team managed to control expenses while ensuring the sustainability of business operations to achieve growth.

Supervision of the Implementation of Strategic Policies

In line with the transformation process that has been continuing since 2017, the Company has established a number of strategic plans and policies. The Board of Commissioners always pays serious attention to the implementation of the strategy implemented by the Board of Directors and its compliance with medium and long-term plans that have been established by the Company.

We also conduct periodic reviews of reports from the Board of Directors, describing developments in the Company’s performance, and may request direct explanations of significant Company issues. In addition, the Board of Commissioners assigns the Audit Committee to specifically supervise the policies and strategic steps carried out by the Board of Directors.

In 2020, even though the pandemic has disrupted many economic activities, it has created an opportunity to accelerate transformation plans to be more in tune with global trends. We have adjusted to the need for teleworking. The Company is focused on the Continuity of Operations while still implementing social restrictions and government regulations. Seeing the importance
of the Company’s presence in the distribution of essential products, the Board of Directors has implemented steps to ensure the health and safety of employees while achieving the targets that have been set.

**Mechanism and Frequency of Providing Advice**

The Board of Commissioners and Board Directors regularly hold joint meetings to discuss various matters related to the management of AKR. At these regular forums, the Board of Directors may exchange views with the Board of Directors regarding the Company’s performance achievements and the various obstacles it faces, as well as provide advice to the Board of Directors if deemed necessary.

In 2020, the Board of Commissioners held five joint meetings with the Board of Directors and it has been running effectively. The Board of Commissioners and Directors prioritizes the principle of mutual respect for the authority of each party in a well-established working relationship.

**Views on Business Prospects prepared by the Board of Directors**

2021 will be a year of economic recovery. With the hope of successful vaccinations targeted to reach a large proportion of the population in Indonesia by the end of 2021, a recovery in demand and the domestic market is projected to slowly materialize.

The Board of Directors has submitted the Company’s business prospects with targets to be achieved on the basis that the economic recovery will take place gradually as the impact of the pandemic decreases, especially in the second half of 2021. Under such conditions, the Board of Commissioners views that AKR shall remain vigilant in managing its operations and keep the Operations Continuity protocol strictly adhered to.

We also recommend continued monitoring of macroeconomic conditions, commodity prices, customer cash flows, working capital cycles, and risks associated with the Company’s trade receivables.

Significant progress has been made in 2020 and we want the Company to continue to grow in a sustainable manner. Five strategies that will continue are, disciplined risk management; alliances and strengthening partnerships; expansion and diversification of the product portfolio; expansion of the customer base; and increased shareholder value.

The Board of Commissioners is also actively encouraging progress in the Java Integrated Industrial and Port Estate (JIIME) process towards the status of a Special Economic Zone (KEK). We urge the Board of Directors to continue the ongoing process and intensify their approach to potential investors to invest in JIIME. In addition, we expect growth from the BP-AKR strategic partnership, which in the future will be developed in the DODO (Dealer Owned-Dealer Operation) system. We will also encourage the development

of an avtur depot with Air bp in line with the pick up in air travel to normal levels. The Board of Commissioners will also continue to monitor the capacity utilization of the Jakarta Tank Terminal (JTT) which by the end of 2020 has increased its storage capacity to 350,000 cbm.

**Assessment on the Performance of Committees under the Board of Commissioners**

The Board of Commissioners is assisted by the Audit Committee and the Nomination and Remuneration Committee in carrying out their duties and responsibilities. Several aspects form the basis for the Board of Commissioners in evaluating the performance of these committees, including the level of attendance and activity in meetings, as well as reports given to the Board of Commissioners which are taken into consideration by the Board of Commissioners in carrying out its supervisory function.

In 2020, the Board of Commissioners considers that both committees have worked effectively in fulfilling their duties and responsibilities, as well as contributed to the efforts of the Board of Commissioners to provide recommendations and direction to the Board of Directors.

**Views and Role of the Board of Commissioners in the Implementation of the Whistleblowing System**

The Company already has a whistleblowing system (WBS) as one of the steps to prevent fraud in the Company. The Board of Commissioners appreciates and supports the development of WBS management carried out by the Company in detecting fraud committed by internal and external parties of the Company. Through the Audit Committee, the Board of Commissioners is committed to monitoring the implementation of the WBS and to supervise its implementation.

**Change in the Composition of the Board of Commissioners**

On February 28, 2020, the Company received a Resignation Letter submitted by Agus Martowardojo. As a replacement, Fauzi Ichsan was appointed by the GMS as an Independent Commissioner of the Company. This is considered beneficial for AKR since Mr. Ichsan’s background and experience in the field of economics can support the role of the Board of Commissioners which are taken into consideration by the Board of Directors regarding the Company’s performance and direction to the Board of Directors.

President Commissioner : Soegiarto Adikoesoemo
Commissioner : I Nyoman Mastra
Independent Commissioner : Fauzi Ichsan
Appreciation
On this occasion, we would like to express our appreciation to shareholders, investors, regulators, and stakeholders for their trust and support. Our deepest appreciation also goes to the entire Board of Directors, employees, and business partners who continually support the Company to grow and develop. The Board of Commissioners is committed to supporting the Board of Directors in their efforts to lead the Company to grow in a sustainable manner and provide added value to shareholders and stakeholders. We are optimistic that the success of the Company in the future will depend on the sincerity and commitment of the employees, the Board of Directors, and the Board of Commissioners to jointly bring PT AKR Corporindo Tbk to be the entity to which we all aspire.

Jakarta, April, 8 2021

Soegiarto Adikoesoemo
President Commissioner
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

BOARD OF COMMISSIONERS

Fauzi Ichsan
Independent Commissioner
In addition to financial achievements, the Company also places Environmental, Social, and Governance (ESG) as its main concerns. We believe that sustainable growth can only be realized if we are able to grow together with the environment and the surrounding community.

Haryanto Adikoesoemo
President Director
Dear respected Shareholders and Stakeholders,

I am very pleased to announce a strong performance by AKR in 2020. We have remained strong in a challenging year and overcome all obstacles posed by Covid-19. It is an honor, on behalf of the Board of Directors, to submit the Annual Report of PT AKR Corporindo Tbk for the fiscal year 2020.

**Economic Conditions in 2020**
Along with the Covid-19 pandemic that hit the world, the direction of the global economy has changed from optimism for improvement in early 2020, to weakening. According to data from the World Health Organization (WHO), as per last available official release of December 19, 2020, there were 83,322,449 confirmed cases of Covid-19 with the number of deaths reaching 1,831,412 worldwide. Various countries around the world, such as China as the ground zero of Covid-19, recorded a contraction in economic growth in the first quarter of 2020. China’s economic growth dropped dramatically to negative 6.8% or for the first time since the 90s.

In response to the Covid-19 pandemic, various countries have issued stimulus policies for global economic recovery. According to the IMF, more than 193 countries issued stimuli for handling Covid-19 with a total stimulus of more than US$8 trillion or around 10 percent of world GDP. The United States and Japan also issued a stimulus of more than 10 percent of GDP with Germany being the country that allocated the highest total fiscal stimulus, namely 24 percent of GDP.

The positive developments from the stimuli issued by various countries has increased optimism for economic improvement in 2020. This is in line with the revision of world economic growth projections in 2020 to negative 4.4% by the IMF as stated in the WEO report October 2020. In line with the improvement in world economic growth in the second semester, the IMF estimates that world GDP growth in 2021 will improve to 5.2%.

The Covid-19 pandemic also impacted Indonesia’s economic growth in 2020. Indonesia’s Gross Domestic Product (GDP) contracted to negative 2.07% in 2020, compared to the previous year’s economic growth of 5.02%. For the first time in two decades, Indonesia entered into a recession. However, according to the Ministry of Finance, when compared to the G20 countries, Indonesia is still ranked 16th for the largest GDP. Many other countries recorded negative double-digit economic contractions.

**AKR Performance in 2020**
AKR delivered a commendable performance in 2020, with strong Net Profit growth, lower Net Gearing, and strong Cash Flows. This was achieved in a difficult operating environment. The pandemic has had a significant impact on the domestic economy, especially in line with the government’s efforts to suppress the growth rate of positive cases of Covid-19 by limiting people’s mobility in the form of Large-Scale Social Restrictions (PSBB) at the beginning of the second quarter. Such a policy had an impact on weakening business activities in a number of sectors where the supply chain was disrupted and the market was shrinking.

The Company is aware that the world will change after Covid-19 and that we have to be one step ahead of other players. We will take full advantage of these changes to direct the Company to maintain stability and continue to strengthen competitiveness with a focus on achieving the goals we set before the pandemic. Even though the pandemic has forcibly changed the way we undergo daily operations, from the health problems and economic challenges that arise, we will stick to our vision and mission while making any necessary adjustments in the process.

Results were possible due to efforts by the Board of Directors, employees, partners and support from our customers. AKR has a complete supply chain infrastructure from storage tanks, warehousing, tankers, and trucks whose status and movements have been monitored through our information technology system. Thus, all movement of goods including inventory in each terminal can be monitored in real time. In addition, we also have a solid operational team in each area of operation that ensures we can make good use of opportunities, even in the midst of disruption, and our sales continue to grow.

With the strength of the Company’s logistics infrastructure and disciplined risk management, we managed to achieve a consistent performance during 2020. In terms of financials, although sales and revenue were affected by falling commodity prices, our profitability continued to grow positively with the achievement of Net Profit of 30% reaching Rp925 billion. AKR maintains a strict formula-based pricing and does not take trading positions, hence the changes in oil prices do not have a direct impact on our profitability.

Our achievement was also driven by consistent growth in the core business and increasing contributions from new businesses developed with partners. We also successfully managed operating expenses, working capital and capital structure so our profitability margins improved. In 2020, our gearing ratio went down to 22%.

AKR has been pursuing a Medium-Term Strategy focusing on five key areas as follows:
1. Risk Management
2. Strengthening Alliances & Partnerships
3. Expansion of Product Portfolio Diversification
4. Expansion of the Customer Base
5. Increase in Shareholder Value

Due to the implementation of such strategies, significant progress was made in 2020.

From an operational perspective, in July 2020 the Company succeeded in obtaining the ISO 9000 - 2015 certification from Lloyd's Register for the category of Industrial Fuel Trading and Distribution. The certification...
SUMMARY REPORT 2020

REMAINING FOCUSED IN CHALLENGING TIMES

Focuses on customer satisfaction standards that include customer focus, people involvement, process approaches in the organization, improvement, evidence-based decision making, and multi-party relationship management. This certification shows that the Company has standard operating procedures for fuel distribution from purchase to delivery to customers. This is also an important step for the Company’s sustainability initiatives, as well as in order to maintain the trust of customers, investors and stakeholders.

This year, we also continued to develop our business portfolio, including the creation of a joint venture (JV) with PETRONAS Chemicals Marketing Sdn Bhd (a subsidiary of Petronas Chemical Group Berhad) in August 2020 as part of the expansion of the chemical distribution business. Based on this agreement, PT Anugerah Kimia Indonesia (AKI) was established in November 2020 and is scheduled to start distributing methanol to customers throughout Indonesia in 2021.

In the fourth quarter of 2020, we completed an additional capacity at the Jakarta Tank Terminal of 100,000 cbm increase total to 350,000 cbm. We expect rising occupation for old and new capacities in 2021, both from the Company and third parties.

In the industrial estate business, the Company submitted an application for Special Economic Zone (KEK) status for the Java Integrated Industrial Port Estate (JIIFE) in 2020. The application was approved by the East Java Government in 2020. In March 2021, the National Council for KEK also approved our application. We expect the President of the Republic of Indonesia to give his approval soon. Investments made by the Company since 2013 have now begun to show results. JIIFE is now contributing a significant proportion of our revenue and income, via land sales, lease, and utilities.

In 2020, the Company’s management team also managed to control expenses amidst the continuity of business operations to achieve growth. Travel and sales service expenses were diverted to ensure the health of employees while working. The Company also did not carry out layoffs despite being in a challenging business operating environment.

Comparison of the Performance of 2020 against Budget

The Company’s consolidated sales and revenue during 2020 reached Rp17,716 billion, 18% lower than 2019 and lower than budget. Even though in 2020 the Company recorded an increase in fuel volume, land sales, and land leases, the Company’s revenue decreased in line with the decline in commodity prices, especially chemical fuels as a result of the Covid-19 pandemic. The Company’s business model is focused on margin optimization and encouraged the Company to book an increase in Gross Profit and Operating Profit of 8% and 15% respectively despite having lower revenues, as well as increasing the Gross Profit Margin to 11.6%, higher than 2019 which amounted to 8.7%. Increased Gross Profit and tight control over expenses in 2020 resulted in a Net Profit that was higher than the target reaching Rp925 billion, much higher than the Rp717 billion recorded in 2019.

Facing Challenges and Obstacles

As stated earlier, the Covid-19 pandemic created many challenges during 2020. With contractions in GDP growth and falling commodity prices impacting the cash flow of many businesses, the Company implemented stricter risk management and customer loan terms were improved to avoid potential bad credit losses. The situation in 2020 gradually improved after the government and Bank Indonesia implemented stimulus measures.

The demand for chemicals was adversely affected as a number of customers had to reduce production or delay expansion. The downward trend in chemical prices during the pandemic also had an impact on the profitability of this segment. We are seeing signs of price recovery in the fourth quarter of 2020 whose situation we are continuing to monitor.

Demand for retail fuel products was also affected, but overall retail fuel sales reported strong growth compared to 2019. Expansion plans with BP in retail and aviation fuel were deferred to 2021 due to prevailing conditions. Our teams are now actively working on them. The pandemic also delayed several agreements of potential JIIFE tenants.

Daily operational activities are also regulated in such a way so that the Company can continue to operate under the risk of Covid-19. In this respect, we also benefit from the Company’s status as an Essential Industry which allows our employees to continue working under strict health protocols. As a precautionary measure, we limited customer meetings, business trips, and matters requiring mobility. We also carried out routine tests for all employees in order to mitigate the spread of the Covid-19 virus quickly and precisely if it occurs in one of our employee clusters.

Business Prospects

The government predicts economic growth of 4.5% -5.5% in the coming year. This economic growth has been balanced with improved inflation management so that inflation is estimated to reach 3.0%. This projection is supported by Indonesia’s well-managed macroeconomic fundamentals amid the Covid-19 pandemic and projections of improved global growth in 2021.
The improving economy, as well as government support for the downstream mining program and increasing manufacturing competitiveness, will have a positive impact on the growth of the Company’s trading and distribution business. We expect our healthy volume growth momentum of 2020 into 2021. We also hope that the success of vaccines in Indonesia will increase investor confidence so that the Company can continue the agreements with prospective BP-AKR dealers and prospective JIIPE tenants who had delayed their expansion plans.

Regarding regulatory aspects, the government’s commitment to eliminate various investment barriers is expected to get better next year, one of which is through the Omnibus Law. We assess that the implementation of the Omnibus Law will be a stimulus for various sectors in Indonesia. In particular, we are confident that JIIPE will benefit from increasing foreign and domestic investment through the implementation of the Omnibus Law. In addition, investments made in new growth initiatives are expected to generate returns for shareholders. JIIPE is benefitting from a steady momentum of land sales and this is expected to accelerate after the KEK status is approved and ratified by the President of the Republic of Indonesia.

In terms of profitability, we expect to achieve steady growth based on 1) growth momentum of our core businesses and 2) additional contribution from JIIPE. The basis for our assumptions in setting the growth target mainly lies in the availability of the Covid-19 vaccine, stimulus plans, and government policy initiatives such as the Omnibus Law, as well as an increase in government infrastructure spending which is expected to lead to better economic growth.

Environmental, Social, and Governance
Apart from achievements in financials, the Company also places Environmental, Social, and Governance (ESG) as its main concerns. We believe that sustainable growth can only be realized if we are able to grow together with the environment and the surrounding community. On this basis, the Company is committed to carrying out its operational activities based on concerns for the environment and providing a positive impact on the wider community.

In every activity and decision making related to its operations and business, the Company always considers direct and indirect impacts that may affect environmental sustainability. We are constantly upgrading the mix of products we sell, improving our fleet efficiency and optimizing energy usage in our operations. Over the next few years, we will consistently reduce our Energy Intensity. In addition, we also provided support for renewable energy and environmental conservation by making JIIPE an environmentally friendly industrial area. JIIPE was built not only to support manufacturing growth in Indonesia, but also to provide innovations to achieve sustainable growth. Some of the things we do include using water from rainwater storage and creating a waste water treatment system to reprocess processed water waste so that nothing is discharged into the sea. We also plan to install floating solar panels and rooftop solar panels to take advantage of renewable energy.

Regarding governance, the Company continues to improve the application of the principles of good corporate governance in terms of structure, process, and outcome. Regarding structure, the Company has completed corporate governance units and has carried out its functions as stipulated in Law No. 40 of 2007 concerning Limited Liability Companies. Meanwhile, from the process side, the Company always implements risk management as an important part of managing the Company. We believe that a good outcome can only be achieved through proper process. Therefore, mitigation of operational and financial risks is the main consideration so that the Company can grow on a solid foundation, reflected in a healthy balance sheet, low gearing ratios, and strong management of the Working Capital cycle.

For social issues, the Company places great emphasis on employees and society. The Company maintains the principles of openness, equality, and fairness in employment. The Company has developed good industrial relations with employees by fulfilling the normative rights of employees as regulated in Law No. 13 of 2003 concerning Manpower. In the midst of the pandemic, the Company has not carried out layoffs and is still recruiting for subsidiaries that were in the early stages of development. In addition, Occupational Health and Safety (K3) is also a major focus and concern for the Company. With its core business of trading and distributing fuel and basic chemicals, the Company encourages the implementation of K3 in every aspect, both for employees who support head office operations, and especially for employees who are directly related to operational activities in the field. The Company also actively builds safety awareness for all AKR personnel regarding the importance of safety at work.

The Company carries out a structured and sustainable Corporate Social Responsibility (CSR) program. In 2020, the Company’s CSR programs were mostly focused on the social and health sectors, especially on efforts to tackle the Covid-19 pandemic to help the government’s efforts to reduce the rate of case growth. In this case, the Company provided direct assistance to the community, focused on efforts to prevent the spread of the Covid-19 virus. The total costs incurred for the Company’s CSR program amounted to approximately Rp9 billion which was disbursed in the form of 4 PCR machines, 10,000 PCR test kits, 150,000 masks, and 13,500 Personal Protective Equipment (PPE).

Dividend Policy
The commitment that we always uphold is to increase shareholder value, actualized by providing optimal dividends for shareholders. Based on the decisions of the Annual General Meeting of Shareholders (GMS) held on April 30, 2020, the Shareholders decided to distribute cash dividends amounting to Rp441,616,441,200 or 61.57% of net profit attributable to owners of the parent entity for the fiscal year 2019. For 2020, the Company has distributed interim dividend of Rp50/share.
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

Change in the Composition of the Board of Directors
In 2020 there was a change in the composition of the Board of Directors of the Company as the term of office of Arief Budiman Utomo ended. On this occasion, we would also like to express our deepest appreciation for his hard work and contribution to the Company while serving as a member of the Company’s Board of Directors. In line with these changes, the composition of the Company’s Board of Directors as of December 31, 2020 was as follows:

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

Appreciation
The Company has successfully concluded 2020 which provided challenges that we have never faced before by posting an encouraging performance. For this achievement, our deepest appreciation is addressed to the Board of Commissioners for all directions given. Our deep appreciation also goes to the shareholders and investors, customers, suppliers, regulators, Government of the Republic of Indonesia, and business partners who have offered their support and trust in the Company during this difficult time.

In particular, the Board of Directors also expresses gratitude and appreciation to all employees who have worked hard with dedication and love in carrying out their respective duties and responsibilities, as well as supporting efforts to realize the Company’s vision, mission, and targets, so that the Company can become an entity that remains focused in the midst of challenging situations.

To conclude, I would like to reiterate that as the leading logistics and supply chain company in Indonesia with a unique set of assets and infrastructure built over six decades, PT AKR Corporindo Tbk has contributed to providing raw materials, energy and logistics solutions to our customers; AKR group has contributed to the economic growth of Indonesia by significant investments made during the past decade where we have not only invested in ports, storage terminals, transport solutions - ships and trucks, industrial estate and from the past three years jointly with our partners developed retail petrol stations with BP to bring a new customer experience to Indonesian customers; we also have entered into new market areas like aviation fuels, lubricants and a joint venture with Petronas to supply chemicals required for new product applications.

We continue to serve the Indonesian economy and fully support government efforts to attract new industrial growth in the Company by providing a competitive base both in terms of land and also logistics and energy solutions; we also are committed to growing our business in a sustainable manner and adopting good ESG practices to serve our customers and society at large.

Jakarta, 8 April 2021

Jakarta, April, 8 2021

Haryanto Adikoesoemo
Presiden Direktur
President Director
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

BOARD OF DIRECTORS

Termurti Tiban
Director

Suresh Vembu
Director

Mery Sofi
Director

Jimmy Tandyo
Director
Summary Report 2020 PT AKR Corporindo Tbk

Haryanto Adikoesoemo
President Director

Bambang Soetiono Soedijanto
Director

Nery Polim
Director
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

OPERATION SEGMENT: SEGMENTATION BASED ON BUSINESS ACTIVITIES

<table>
<thead>
<tr>
<th>Petroleum and Basic Chemicals Trading and Distribution</th>
<th>Logistic Infrastructure</th>
<th>Manufacturing</th>
<th>Integrated Industrial and Port Estate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Trading &amp; Distribution</strong></td>
<td><strong>Logistic Services</strong></td>
<td><strong>Manufacturing</strong></td>
<td><strong>Industrial Estate</strong></td>
</tr>
<tr>
<td>This segment distributes petroleum products and various types of basic chemicals such as caustic soda, sodium sulfate, PVC resin and soda ash.</td>
<td>This segment provides various logistics services including rental of storage tanks and warehouse, packing services, handling charges and transportation services, especially for liquid and solid chemical products in Indonesia and petroleum products in Indonesia.</td>
<td>This segment produces adhesive materials by the subsidiary, Aruki.</td>
<td>This segment of the Group is under BKMS, an indirect subsidiary of the Company through UEPN. The industrial estate is part of the JIPE project developed together by BKMS and BJTI, a subsidiary of Pelindo III.</td>
</tr>
</tbody>
</table>

Revenues Composition of Operating Segments on Consolidated Sales and Revenue

<table>
<thead>
<tr>
<th>2019</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>93%</td>
<td>92%</td>
</tr>
<tr>
<td>4%</td>
<td>4%</td>
</tr>
<tr>
<td>2%</td>
<td>2%</td>
</tr>
<tr>
<td>1%</td>
<td>2%</td>
</tr>
</tbody>
</table>

- **Trading and Distribution**
- **Logistic Services**
- **Manufacturing**
- **Industrial Estate**
The Trading and Distribution segment is the largest contributor to the revenue, with 92% in 2020 (93.1% in 2019). Revenue is heavily dependent on international prices of oil and selective chemicals like Caustic Soda, Soda Ash etc. In 2020, international oil and chemicals declined resulting in a 19.7% decline in segment revenue and 18.4% decline in overall Company revenue. Logistic services had 0.8% revenue growth and its share of total revenue increased from 4% to 5%. Manufacturing revenue declined by 15.1% compared to 2019, mainly due to lower ASP. Its contribution to revenue was relatively unchanged at 2%. Revenue from industrial estate segment (JIPIE) had a strong 21% growth from 2019. Its share to overall revenues increased to 2% from 1%. This segment delivers high gross margin and has much higher share of gross profit. The growth in revenue and income from JIPIE was delivered by higher land sales and lease income. JIPIE attractiveness has been increasing due to its unique features, designation as a National Strategic Project by the Indonesian Government and approval for Special Economic Zone status by relevant authorities.

**TRADING AND DISTRIBUTION SEGMENT SALES (RP BILLION)**

<table>
<thead>
<tr>
<th>Year</th>
<th>Kimia Dasar</th>
<th>Basic Chemicals</th>
<th>BBM Petroleum</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>22,428</td>
<td>5,288</td>
<td>17,140</td>
</tr>
<tr>
<td>2019</td>
<td>20,200</td>
<td>4,459</td>
<td>15,741</td>
</tr>
<tr>
<td>2020</td>
<td>16,219</td>
<td>3,354</td>
<td>12,865</td>
</tr>
</tbody>
</table>

**PETROLEUM SALES**

The Company's business activities are limited to distribution only. Therefore, there is no data to report on production process and capacity. The distribution is broadly segmented into: 1) Non-subsidized petroleum to industrial customers, 2) Subsidized petroleum (diesel) to retail investors with quota allocated by the Oil and Gas Downstream Regulatory Agency (BPH Migas) and 3) Non-subsidized petroleum and non-fuel services to retail customers. Industrial non-subsidized petroleum is distributed to customers across a broad range of industries and sectors.

In 2017, the Company and BP Global established a Joint Venture (JV) company to develop and grow non-subsidized retail petroleum in Indonesia. The first BP-AKR gas station at De Latinos-Serpong was opened in November 2018, followed by the 2nd gas station at Jababeka-Cikarang, and then at Cibubur, Bintaro. As of 2020, there were 16 BP-AKR gas stations that have been operating in the Jabodetabek, Surabaya, and toll rest areas. Currently the development of the bp service station is included in the DODO (Dealer Owned Dealer Operated) agreement. The Company has targeted to open more retail outlets in Indonesia in the future, with an initial focus on big cities such as Jabodetabek, Bandung and Surabaya.

The Company has been entrusted by the government for nine consecutive years to distribute certain types of subsidized fuel. In November 2017, BPH Migas assigned AKRA as a P3JBT agent for 5 years to distribute subsidized diesel for the period of 2018-2022. AKR has 132 operational outlets dedicated to distributing subsidized diesel fuel. The operating outlets are equipped with a technology system to monitor the products distribution from storage tanks or from dispenser nozzles to customers. A digital monitoring system is used to control the distribution of subsidized diesel fuel so that it reaches target consumers.

Indonesian customers are gradually shifting from using the subsidized low-octane gasoline to the non-subsidized-high-octane-gasoline. This is resulting in higher growth in the use of the latter. To capture this shift in market trend, AKR in 2016 introduced AKRA 92 gasoline products for its own outlets. The joint venture with BP is also part of this strategy. The Company's petroleum sales in 2020 of Rp12,865 billion were 18% lower from Rp15,741 billion in 2019 in line with decreases in sales price. The contribution of petroleum distribution to the Company's consolidated sales and revenues was 73% in 2020.
SUMMARY REPORT 2020

REMAINING FOCUSED IN CHALLENGING TIMES

BASIC CHEMICAL SALES
The Company’s basic chemicals business is only trading and distribution activity. Therefore, there is no data to report on production or capacity. The Company serves as a distributor in Indonesia for domestic and international basic chemical manufacturers. Basic chemical products are the raw materials needed by a large number of industries, such as chemicals, textiles, pulp and paper, consumer goods, fertilizers, plywood and refined wood products, food, pharmaceuticals, alumina etc.

Basic chemical sales were Rp3,354 billion in 2020, lower by 25% from Rp4,459 billion in 2019. The revenue decline was both due to lower volumes and selling prices. The decline in sales volume is in line with reduced demand for chemicals as a number of customers have had to reduce production or delay expansion due to the impact of the pandemic. Basic chemical sales in 2020 contributed 19% to the Company’s consolidated sales and revenue.

Trading and Distribution Segment Profitability

<table>
<thead>
<tr>
<th></th>
<th>2020</th>
<th>2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and revenues</td>
<td>16.219</td>
<td>20.200</td>
<td>(20%)</td>
</tr>
<tr>
<td>Cost of sales and revenues</td>
<td>14.523</td>
<td>18.598</td>
<td>(22%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>1.696</td>
<td>1.603</td>
<td>6%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>10%</td>
<td>8%</td>
<td>2%</td>
</tr>
</tbody>
</table>

Despite lower revenue in the trading and distribution segment, the gross profit from this segment grew by 6% and gross margin was up from 8% in 2019 to 10% in 2020. This is because the Company operates on a formula-based pricing where changes in product prices are passed on to the customers. In 2020, the Company has striven to improve the efficiency, effectiveness of operation and risk management, to grow profit and increase competitiveness.

PETROLEUM BUSINESS DEVELOPMENT
In 2020 BP-AKR Retail performance was as per plans. Even though it was impacted by the Large-Scale Social Restrictions (PSBB), currently the sales volume has rebounded to the level of before the Covid-19 period. This business offers quality petroleum combined with comprehensive services (non-petroleum) to provide the best experience for customers. The sales from BP-AKR outlets have almost returned to pre-pandemic levels with a steady growth rate every month. The marketing activities in 2020 were made to increase public knowledge of BP-AKR retail through various channels:

- Loyalty Points (PONTA);
- Promotion of NFR/Non-Fuel Revenue (Non-Petrol);
- Advertisement Board;
- Grab-Car Branding;
- Targeted digital media & influencer marketing through mobile advertisements,
- Free petrol during the opening of new outlets.

After receiving the permanent INU license in July 2019, the Air BP-AKR joint venture business in Morowali also recovered when air travel re-opened. And in December 2020, the Company held a soft opening for the second site in Cibubur.

MANUFACTURING
As of 2020, the Company only has one subsidiary engaged in the manufacturing business segment, PT Arjuna Utama Kimia (Aruki) which produces wood adhesives in Surabaya. As of 2020, the Company only has one subsidiary engaged in the manufacturing business segment, PT Arjuna Utama Kimia (Aruki) which produces wood adhesives in Surabaya.
Manufacturing Segment Sales (Rp Billion)

<table>
<thead>
<tr>
<th>Year</th>
<th>Manufacturing Segment Sales (Rp Billion)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>507</td>
</tr>
<tr>
<td>2019</td>
<td>443</td>
</tr>
<tr>
<td>2020</td>
<td>376</td>
</tr>
</tbody>
</table>

Adhesives

Adhesives Production

Adhesives Production Capacity
Total production capacity in 2020 was 100,000 MT. There was no additional production capacity during 2020.

Adhesives Sales
Aruki’s sales decreased from Rp443 billion in 2019 to Rp376 billion in 2020, down by 15%. This was mainly due to the decrease in ASP. Such a decline was the result of the pandemic conditions that have hit the entire world.

Manufacturing Segment Profitability

<table>
<thead>
<tr>
<th>Manufacturing Segment</th>
<th>2020</th>
<th>2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and revenues</td>
<td>376</td>
<td>443</td>
<td>(15%)</td>
</tr>
<tr>
<td>Cost of sales and revenues</td>
<td>275</td>
<td>358</td>
<td>(23%)</td>
</tr>
<tr>
<td>Gross profit</td>
<td>100</td>
<td>85</td>
<td>18%</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>27%</td>
<td>19%</td>
<td>8%</td>
</tr>
</tbody>
</table>

Lower revenue was more than offset by Improved efficiencies and strict control over costs. The 2020 gross profit increased 18% with 27% gross profit margin.

Logistics Services

The Company provides an integrated logistics service to third party customers in major ports across Indonesia. This covers port operations, transportation, rental of storage tanks, warehouses and others.

The Company also provides Port handling services, customs clearance services, loading/unloading of 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 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 leading private tank terminals in Indonesia, equipped with jetties and underwater pipelines. In 2020, The Company together with Vopak has added 100,000 cbm of capacity in JTT.

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.

<table>
<thead>
<tr>
<th>Type</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sea Ports</td>
<td>9</td>
</tr>
<tr>
<td>River Ports</td>
<td>6</td>
</tr>
<tr>
<td>KL Storage Tank Terminal</td>
<td>818,779</td>
</tr>
<tr>
<td>Units Vessels/Barges</td>
<td>12</td>
</tr>
<tr>
<td>m2 Warehouses</td>
<td>49,080</td>
</tr>
<tr>
<td>Truck Units</td>
<td>298</td>
</tr>
</tbody>
</table>
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

AKR Storage Capacity (in Thousand KL)

Logistics Services Segment Revenue
Revenue from the logistics segment increased by 1% to Rp802 billion from Rp796 billion in 2019. The increase was mainly due to the revenue from the port operations and transportation segment which increased by 3% to Rp478 billion in 2020 from Rp465 billion. Revenue from the rental of storage tanks was Rp270 billion in 2020, down 5% yoy. The segment gross profit declined by Rp10 billion, or 15% yoy.

LOGISTIC SERVICES SEGMENT SALES (RP BILLION)

Logistics Services Segment Profitability

<table>
<thead>
<tr>
<th>Logistic Services Segment</th>
<th>2020</th>
<th>2019</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales and revenues</td>
<td>802</td>
<td>796</td>
<td>1%</td>
</tr>
<tr>
<td>Cost of sales and revenues</td>
<td>743</td>
<td>727</td>
<td>2%</td>
</tr>
<tr>
<td>Gross profit</td>
<td>59</td>
<td>69</td>
<td>(15%)</td>
</tr>
<tr>
<td>Gross profit margin</td>
<td>7%</td>
<td>9%</td>
<td>(1,3%)</td>
</tr>
</tbody>
</table>
INDUSTRIAL ESTATE SEGMENT SALES (RP BILLION)

<table>
<thead>
<tr>
<th>Year</th>
<th>Sales and Revenues</th>
<th>Cost of Sales and Revenues</th>
<th>Gross Profit</th>
<th>Gross Profit Margin</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>271 billion rupiah</td>
<td>126 billion rupiah</td>
<td>145 billion rupiah</td>
<td>52%</td>
</tr>
<tr>
<td>2017</td>
<td>582 billion rupiah</td>
<td>128 billion rupiah</td>
<td>454 billion rupiah</td>
<td>78%</td>
</tr>
<tr>
<td>2018</td>
<td>18 billion rupiah</td>
<td>126 billion rupiah</td>
<td>62 billion rupiah</td>
<td>39%</td>
</tr>
<tr>
<td>2019</td>
<td>263 billion rupiah</td>
<td>128 billion rupiah</td>
<td>266 billion rupiah</td>
<td>99%</td>
</tr>
<tr>
<td>2020</td>
<td>319 billion rupiah</td>
<td>128 billion rupiah</td>
<td>291 billion rupiah</td>
<td>99%</td>
</tr>
</tbody>
</table>

In 2020, the industrial estate has posted a revenue of Rp319 billion (2019 was Rp263 billion) which consisted of 1) sales of industrial land of Rp171 billion, 2) rental income of industrial land of Rp118 billion from PT Freeport Indonesia (PTFI) for a smelter project and 3) utility and maintenance services (recurring income) of Rp31 billion. The segment recorded gross profit of Rp193 billion.

JIIPE is the one of the largest Industrial Estate in Indonesia and provides superior connectivity with integrated industrial estates and ports. The total area is 3,000 hectares that comprises industrial estate with a logistics center, bonded facilities and multipurpose port for international and inter-island connectivity. This is supported by a commercial and residential township. Located in Gresik, East Java Province, JIIPE will be a leading strategic industrial hub in Indonesia and Asia Pacific.

Since the JIIPE project commencement in November 2013, the Company has continued to accelerate the process of providing land and supporting infrastructure, to bolster the investment development in East Java, and Gresik in particular. Phase I development has been completed and will now enter Phase II.

In 2020, the industrial estate has posted a revenue of Rp319 billion (2019 was Rp263 billion) which consisted of 1) sales of industrial land of Rp171 billion, 2) rental income of industrial land of Rp118 billion from PT Freeport Indonesia (PTFI) for a smelter project and 3) utility and maintenance services (recurring income) of Rp31 billion. The segment recorded gross profit of Rp193 billion.
Entering Development Phase 2

Java Integrated Industrial and Ports Estate (JIPE), the first and largest integrated industrial estate in Indonesia, is located in Gresik-East Java. It integrates ports, industries and residential areas, and is connected to toll roads and railways. Since being inaugurated and established as a national strategic project by the President of the Republic of Indonesia, Mr. Joko Widodo, on March 9, 2018, the government continues to support the JIPE via improved road/rail connectivity and following measures:

1. Exceptions in using Rupiah
   As a Strategic infrastructure project, JIPE is permitted to use foreign currencies in payment or settlement of obligations (SE BI 17/2015 Part III A & B1).

2. Direct Support and prioritized for acceleration from the central government
   President Jokowi has included JIPE in its accelerated Economic Development (Attachment PP No.58/2017 on point “T”).

3. Ease of direct investment in construction
   One of the industrial estates that is allowed to continue construction while in parallel also dealing with permits (List of attachments of SK BKPM No 17/2017 number 4).

JIPE has geoeconomic 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 center of economy and investment of East Java. JIPE has been selected for efficient logistics costs via connectivity between domestic and foreign markets by making available international standard facilities and infrastructure. JIPE is being considered to be a Special Economic Zone by the Investment Coordinating Board (BKPM) and it is hoped that this status will be approved and ratified by the President of the Republic of Indonesia in 2021.

JIPE offers a clustering system to ensure business continuity and synergy in the Industrial Estate. Investors are screened and clustered together based on their operational activities. Since May 2019, JIPE has officially handed over 103 ha for the Freeport Smelter project. As of December 2020, Chiyoda, the smelter project contractor, has conducted a piling test. Freeport has invested US$300 million to develop the land in JIPE. This project is targeted to operate in 2023. The Freeport Smelter is expected to encourage the growth of other new downstream industries at JIPE as part of government initiatives for more value addition within Indonesia’s industry.

JIPE has prepared the opening of a Liquid Cluster equipped with pipe rack to the pier to accommodate the needs of the liquid based industrial sector. This cluster will also be prepared for the steel processing industry. Meanwhile the Phase 2 Multipurpose Cluster will be an ideal destination for various manufacturers that require a complete utility supply.
Utilities
The focus of JIIPE in the second phase from 2019 to 2022 is the construction of independent utility facilities to support tenant operations, which consist of power plant, water supply, waste treatment plant, gas pipeline connections, and telecommunication systems using a fiber optic network.

1. Power Plants
The 23 MW power plant in the first phase has supplied industrial tenants since November 2017. The power plant uses a ring loop distribution system and a double feeder to minimize interruption of electricity supply to the areas of tenants. JIIPE has a license to Generate and Distribute 515MW of electricity to tenants on the Industrial Estate. The estimated demand is 1,233MW once fully operational.

2. Water Treatment Plant
The first phase of water treatment plant facility has been operating using a “Sea Water Reverse Osmosis” desalination system, with a capacity of 2400 m3/day. To accommodate industries that need clean water supply in the production process, JIIPE will get clean water supplies from Gerak Sembayat Dam with a 1000 liter/second discharge, which will begin to work in 2020.

3. Wastewater Management
The Wastewater Treatment Plant began its construction in August 2018 and started to operate in 2019 with a capacity of 2,500 m3/day. The Wastewater Treatment Plant is using Bio Reactor Membrane technology that can ensure that liquid waste has met the quality standards of Government regulations with minimal utilization of land use time. Waste is also reprocessed in the Ultra Filtration and Reserve Osmosis units to produce clean water for tenants and minimize natural extraction from natural water resources.

4. Gas Distribution
In 2017, JIIPE also completed the phase 1 of gas pipeline construction from the regional gates to the Multipurpose Cluster, in which Perusahaan Gas Negara (Own-State Gas Company) was one of the first gas suppliers that has distributed natural gas into the estate.

5. Internet & Communication
In addition, two leading telecommunication service providers in Indonesia have collaborated with JIIPE in providing fiber optic-based broadband internet and telecommunications networks. JIIPE has a firefighting team that is always on standby 24 hours a day, 7 days a week, for the convenience and security of every tenant at the JIIPE industrial estate.

Infrastructure
After being prioritized in the regulations for the acceleration of economic development, in 2020 the Krian Legundi Bunder Manyartoll road section 1-3 has operated. Furthermore, the KLBK toll road will be connected directly to JIIPE. A feasibility study for a double track train connection to JIIPE with the Sampeyan Seated Train Station, which is 11 km away, has also been carried out in 2020.
JIIPE’s Unique Connectivity Modes

The JIIPE port, which is planned to be developed to 400 Ha, has been serving vessels and cargo since 2015 after the permit was issued. On December 2017, BMS received a 76-year concession (up to 2094) from the Ministry of Transportation to provide services at Terminal Manyar, Gresik Port, East Java. The volume of bulk products handled at the JIIPE port reached more than 1 million tonnes in 2019, mostly for wheat, fertilizer, rock salt, bentonite and soda ash.

Since 2019, a jetty expansion has been carried out from 250 m x 30 m to 250 m x 50 m. This jetty has a natural draft of -14 to -16 LWS and can accommodate ships with a capacity of 45,000 DWT. With such expansion, the capacity will increase to 100,000 DWT. The mooring area will increase from 2 ships to 4 ships in 2021. This port will be developed into a multi-service port & logistics for Freight, Containers, Cars/Vehicles, General Cargo, Container Yard, Multipurpose, Fishing Industry, Liquid and Bulk Cargo, Bonded Logistics Center, Offshore Maintenance.

Jetty Expansion Plan

11 Km Railway Access connecting JIIPE to Java is ready in 2023

JIIPE Port is the deepest in East Java (-16M), currently the natural draft is -14M

The new 39 Km Toll Road connecting JIIPE to other parts of Java and Jakarta

Jetty Expansion Plan:

1. Mooring ship trial at the Jetty
2. Reinforcing Jetty
3. Ready for mooring of 3 ships (previously 2 ships)
4. Ready for 4 ships
HR Management Policy
The Company believes that reliable and capable Human Resources (HR) are integral for a sustainable financial performance, to deliver on its vision and mission, as well as providing a continuous work plan. The Company pays great attention to the management and development of HR competencies.

The process starts with recruitment and is backed by continuous emphasis on the management of training and development. To this end, the Company has established a corporate culture that is instilled through a series of programs to internalize the Company's vision, mission and values. To complement this, the Company has introduced a number of initiatives to ensure that every employee is able to uphold the Company's values, fully implement Good Corporate Governance, and work in line with the overall strategy and business activities of the Company.

The Company provides equal opportunities for all employees to receive its education and training programs. These opportunities are based on individual development needs that will improve performance and achieve career ambitions. The training is updated continuously, in line with the latest available technology and the Company's operating standards. The Human Resources Division focuses on improving its service to all employees and evaluates performance through evaluation surveys in the respective departments.

In responding to the Corona Virus (Covid-19) pandemic that has hit the world, the Company has made the health of every person its main focus in the management of Human Resources (HR), applied in the form of:

- Strict implementation of health protocols in various aspects of work. Various work processes are encouraged to be carried out digitally, utilizing the implementation of technology to optimize health protocols.
- Establishment of a Covid-19 Handling Task Force Team at each work location, providing vitamins, continuous education, and socialization to remind employees of the importance of discipline in health protocol implementation.
- The Company's concern for health is also expressed by not only providing vitamins for employees but also for family members of employees, including the treatment of employee families who are exposed to Covid-19.

Digital Branding & Communication
During the pandemic, the Department of Digital Branding & Communication (DBC) has been supporting the company's mission to enable digitization in various aspects of work through communication, education, socialization and implementation of internal Company events. The use of various media including email, newsletter, WhatsApp messages and Social Media continues to be optimized in line with the echoed spirit of digitalization.
REMAINING FOCUSED IN CHALLENGING TIMES

Encouraging messages to adapt changes based on the implementation of Company Values, the importance of discipline in health protocols, and strengthening the Company’s image are the main focus of Employer Branding communications that are carried out to create, maintain and strengthen Employee Engagement both internally and externally.

DBC also supports the company’s spirit of digitalization through the creation of online training materials, the creation of virtual communication materials, the implementation of virtual events, and various other communication activities that apply digitalization.

Talent Management And Employee Development
During the pandemic, the Company has remained consistent in the development of Human Resources (HR) to prepare employees who are able to make an important contribution to the sustainability of the Company’s performance. Therefore, the Company provides significant support for the management and competency development of HR.

This is evidenced by the provision of supporting facilities and infrastructure in the form of online training equipment/tools provided in each branch so that the development of knowledge and skills for human resources can continue.

The pandemic is not seen as a hindrance to this, but rather an opportunity to transform and build new habits. The Company is conducting transformation by adjusting internal training programs that were previously carried out offline/face-to-face, to online/virtual face-to-face. This is followed by establishing new normal habits for independent learning through e-learning classes.

Continuing the transformation process that began in 2017, the development program carried out by the Human Resources Division focuses on efforts to improve the skills of its employees.

Performance Evaluation
In line with the transformation program currently underway, the Company is using a new performance assessment process called the People Development Committee or PDC. PDC is a program that aligns performance appraisal management with talent competency development programs to create succession planning.

The performance appraisal process begins by setting Key Performance Indicators which have been derived from the Company’s target at the beginning of the year to Divisions and Departments, then they are set for each individual. Supervisory channels are tasked with conducting regular monitoring. 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 into reward programs and individual development, as well as necessary training and retention.

The program continues with a PDC Meeting process which is attended by an assessment committee consisting of direct supervisors and career advisors. In this PDC system, employees are assessed in two aspects, namely performance and potential, based on the results of evaluations from superiors, subordinates, and peers. Each specific employee who enters the PDC program will be invited to a discussion by the Advisor regarding their career and peers. Each specific employee who enters the PDC program will be invited to a discussion by the Advisor regarding their career and peers. Each specific employee who enters the PDC program will be invited to a discussion by the Advisor regarding their career and peers. Each specific employee who enters the PDC program will be invited to a discussion by the Advisor regarding their career and peers. Each specific employee who enters the PDC program will be invited to a discussion by the Advisor regarding their career and peers.

The recruitment process is done through the following stages:
1. Plan for employment starts with budget planning based on the target set forth in the business plan where employment needs are calculated for the coming year.
2. Based on business development, departments in need of new employees must fill in the employee request form (PTK). The form must be approved by the respective Department Head and Division Head, before finally being reviewed and approved by the Business Unit CEO.
3. In a subsequent process, all employee needs begin with PTK that must be completed with a description of the position (job description, qualifications, etc.).
4. After the PTK is accepted by the Recruitment Department, the Team will match their qualifications and carry out the sourcing process to find candidates through all existing channels, including e-sourcing through social media and the AKR website.
5. For the selection stage, candidates will be asked to pass a series of psychological assessments (behavioral intelligence and work attitude) and interviews using the competency approach. As to the types and stages of assessment, the interview process is paneled according to the required level of position.
6. All candidates who pass the final interview will undergo the document verification process and reference check. After a successful completion, the candidate will take the Medical Check-Up process.
7. On completion of the Medical Check-Up and the candidate is declared fit to work, the recruitment team will contact the relevant candidate to determine the start date and the process for signing the employment contract.
8. Candidates who become new employees are required to join the New Employee Orientation Program (NEOP). In the NEOP, they receive explanations about the vision, mission, and background of the company. At the end of the trial period, each new employee is required to make a Mentoring Report and then send it to their superior and other relevant parties.
9. If considered appropriate, the report will be forwarded to the Department of Performance Management & People Development (PMPD) for further review and the PMPD will verify the matter to the superior as the basis for the appointment of permanent employees. The employees are ready for a career and achievement in accordance with their fields and competencies. All Departments in the Human Resources Division continue to work hand in hand to build a collaborative spirit in developing the capabilities, the potential, and talent of all existing employees based on agreed values and Company goals.

Employee Compensation and Benefits
Compensation and benefits are two significant factors that affect employee job satisfaction. During the Covid-19 pandemic, AKR did not enforce a policy of reducing compensation for its employees. In fact, AKR made several benefit adjustments and in early 2020, AKR implemented an adjustment of 43% in terms of food and transport allowances for employees. The Company also provides lunch boxes for employees who work from office (WFO) to mitigate the risk of transmission and prevention of Covid-19. This shows the Company’s concern for the health of its employees. As an appreciation for performance, the Company also continues to provide annual bonuses to employees with criteria determined by management.

Employee Demography and HR Management
As of December 31, 2020, the Company’s employees reached 2,545 people, an increase of 38 people or 1.52% compared to the number of employees as of December 31, 2019, which was 2,507 people.

<table>
<thead>
<tr>
<th>Organization Level</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board of Commissioners</td>
<td>3</td>
<td>0.1%</td>
<td>3</td>
<td>0.1%</td>
</tr>
<tr>
<td>Board of Directors</td>
<td>7</td>
<td>0.3%</td>
<td>8</td>
<td>0.3%</td>
</tr>
<tr>
<td>Key Executives of Commissioners Level</td>
<td>6</td>
<td>0.2%</td>
<td>5</td>
<td>0.2%</td>
</tr>
<tr>
<td>Key Executives of Directors Level</td>
<td>19</td>
<td>0.7%</td>
<td>19</td>
<td>0.8%</td>
</tr>
<tr>
<td>Advisors</td>
<td>6</td>
<td>0.2%</td>
<td>6</td>
<td>0.2%</td>
</tr>
<tr>
<td>General Managers</td>
<td>15</td>
<td>0.6%</td>
<td>14</td>
<td>0.6%</td>
</tr>
<tr>
<td>Senior Managers</td>
<td>42</td>
<td>1.7%</td>
<td>41</td>
<td>1.6%</td>
</tr>
<tr>
<td>Managers</td>
<td>109</td>
<td>4.3%</td>
<td>113</td>
<td>4.5%</td>
</tr>
<tr>
<td>Assistant Managers</td>
<td>121</td>
<td>4.8%</td>
<td>119</td>
<td>4.7%</td>
</tr>
<tr>
<td>Staff</td>
<td>743</td>
<td>29.2%</td>
<td>764</td>
<td>30.5%</td>
</tr>
<tr>
<td>Operators</td>
<td>1,474</td>
<td>57.9%</td>
<td>1,415</td>
<td>56.4%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545</td>
<td>100.0%</td>
<td>2,507</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
### Employee Demography Based on Education Level (people)

<table>
<thead>
<tr>
<th>Education Level</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Doctor</td>
<td>2</td>
<td>0.1%</td>
<td>1</td>
<td>0.0%</td>
</tr>
<tr>
<td>Master</td>
<td>104</td>
<td>4.1%</td>
<td>84</td>
<td>3.4%</td>
</tr>
<tr>
<td>Bachelor</td>
<td>1,032</td>
<td>40.6%</td>
<td>1,081</td>
<td>43.1%</td>
</tr>
<tr>
<td>Diploma</td>
<td>262</td>
<td>10.3%</td>
<td>257</td>
<td>10.3%</td>
</tr>
<tr>
<td>Senior High School</td>
<td>1,043</td>
<td>41.0%</td>
<td>983</td>
<td>39.2%</td>
</tr>
<tr>
<td>Junior High School</td>
<td>91</td>
<td>3.6%</td>
<td>89</td>
<td>3.6%</td>
</tr>
<tr>
<td>Elementary School</td>
<td>11</td>
<td>0.4%</td>
<td>12</td>
<td>0.5%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545</td>
<td>100.0%</td>
<td>2,507</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Employee Demography Based on Employee Status (people)

<table>
<thead>
<tr>
<th>Employee Status</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Permanent</td>
<td>1,992</td>
<td>78.3%</td>
<td>1,994</td>
<td>79.5%</td>
</tr>
<tr>
<td>Contract</td>
<td>553</td>
<td>21.7%</td>
<td>513</td>
<td>20.5%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545</td>
<td>100.0%</td>
<td>2,507</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Employee Demography Based on Age (people)

<table>
<thead>
<tr>
<th>Age Group</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>&gt;56 years old</td>
<td>60</td>
<td>2.4%</td>
<td>71</td>
<td>2.8%</td>
</tr>
<tr>
<td>47-55 years old</td>
<td>300</td>
<td>11.8%</td>
<td>302</td>
<td>12.0%</td>
</tr>
<tr>
<td>40-46 years old</td>
<td>481</td>
<td>18.9%</td>
<td>494</td>
<td>19.7%</td>
</tr>
<tr>
<td>33-39 years old</td>
<td>725</td>
<td>28.5%</td>
<td>711</td>
<td>28.4%</td>
</tr>
<tr>
<td>26-32 years old</td>
<td>694</td>
<td>27.3%</td>
<td>698</td>
<td>27.8%</td>
</tr>
<tr>
<td>&lt;25 years old</td>
<td>285</td>
<td>11.2%</td>
<td>231</td>
<td>9.2%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545</td>
<td>100.0%</td>
<td>2,507</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

### Employee Demography Based on Gender (people)

<table>
<thead>
<tr>
<th>Gender</th>
<th>2020</th>
<th>%</th>
<th>2019</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Male</td>
<td>2,203</td>
<td>86.6%</td>
<td>2,188</td>
<td>87.3%</td>
</tr>
<tr>
<td>Female</td>
<td>342</td>
<td>13.4%</td>
<td>319</td>
<td>12.7%</td>
</tr>
<tr>
<td>Total</td>
<td>2,545</td>
<td>100.0%</td>
<td>2,507</td>
<td>100.0%</td>
</tr>
</tbody>
</table>
INFORMATION TECHNOLOGY

2020 Overview
AKR IT played a major role in supporting our Business Groups in the smooth functioning during Covid-19. This was achieved by implementation of its updated strategy in the first quarter of 2020. We were well positioned for collaboration amongst our employees anywhere, anytime and on any device. This ensured smooth communication through the organization even during working from home. This was achieved due to AKR IT already taking advantage of collaboration functionality delivered by its Microsoft Teams and Zoom deployments as well as the shared workspaces delivered by Microsoft Office 365 and its M-Files content management system. Plus, as business processes had already been targeted for automation, they were to a large degree unaffected from an operational sense.

2020 Key Initiatives
AKR IT started the realization of its Enterprise Architecture initiative to greater align the business goals. The object is to build IT to achieve Company goals with improved efficiency, effectiveness and cost optimization.

The first phase saw the creation of the core AS IS models for systems and infrastructure. This formed the baseline for determining priority areas to ensure staff and customer connectivity during periods of lockdown. This enabled staff, especially AKR IT staff, to remain productive during 2020 and resulted in a number of key initiatives being realized.

One key initiative that was realized was the finalization of the AKR IT Disaster Recovery Centre. This allows the business to have assurance on the system’s continued operation in case of an outage in any of its core systems. 2021 will see this initiative expanded to ensure that communications capability will be maintained should one of its key communications providers loose connectivity. As mobility is a part of the AKR IT strategy, this is also a further back up to the loss of primary communications. This loss of connectivity is also supported by the ability of AKR staff to be able to continue to work offline in the event of an outage and then synchronize with the relevant systems when connectivity is established. This was a continuation and realization of the offline component from 2019.

The CRM initiative saw its completion at the end of the year with pre-deployment testing taking place during December. The targeted deployment is in the 1st quarter 2021. The CRM initiative also triggered a number of related initiatives that further drove optimization such as customer unification across all systems and related process automation to provide a seamless flow of data and reduced cycle time for customer order fulfillment.

AKR IT also focused on digitalization of manual forms and optimization and digitalization of workflows. The objective is that all processes can be carried out from all locations. This was enabled primarily through a combination of M-Files and Microsoft Office 365. AKR IT maintained its focus on utilizing the existing capability rather than new development. This was especially true for the various HR forms that were needed to support the work from home capability.

Continuance of staffing capacity building and education was also maintained and certain areas enhanced during 2020 with the creation of a number of capabilities for remote learning as well as video-based training utilizing the existing systems that AKR IT had already started to put in place during 2019.
AKR IT also upgraded its policies and associated processes to reflect the new operating environment. These were incorporated into its EA initiative including the identification of enhanced review triggers to ensure alignment with the continual changes that will be part of the new operating environment. At the same time, they were simplified to make them agile.

On the operational side a number of initiatives were undertaken to improve the utilization of the company's assets. The terminal Queuing System was developed and incorporated into the existing processes. The new Distribution Planning System development was started and is targeted for deployment in mid-2021. This should see fleet utilization greatly improved with the associated cost per delivery also being improved.

The AKRvision fleet monitoring system was upgraded to the latest version and stabilized in the last quarter of 2020. This will allow for further enhancement of the system functionality, with mobile notifications being deployed. On the hardware side, Bluetooth technology in regards to sensor connectivity has been enabled in the latest GPS devices and this trend will continue. Video capture capability has now been added and this will be explored during 2021 as to the value it will bring to the business especially regarding driver behavior management and ADAS condition alerting.

Remediation was also carried out on the AKR Knowflow fuel management system that is used in the APR joint venture service stations. The aim is to improve the system stability and its ability to recover transactions in the event of a power outage. This will form the basis for the new version of Knowflow scheduled for 2021. This will be one of the latest operating systems and database technologies to allow faster functional addition in the future as well as improved transaction management and the movement for those transactions to the various applications that need them. Mobility enablement will be a key part of the new version.

All of the above initiatives need a rethink of the AKR Network as well as the bandwidth requirements for the new operating environment. AKR IT made use of existing capability in its Solarwinds Orion network management system to identify where upgrades were needed. This is to ensure that the correct quality of service was being delivered through to the extended endpoints that were not on the AKR network, for a significant part of their working time. This also required a review of the security processes that were in place and bolstering them where they needed to be to accommodate working from home.
GOOD CORPORATE GOVERNANCE

The implementation of good corporate governance (GCG) in PT AKR Corporindo Tbk is carried out based on legal corridors that are applied nationally and internationally, which is important to do in order to ensure the best implementation standards in accordance with development of governance in the business world. Some governance standards that the Company are referring to include the ASEAN Corporate Governance Scorecard issued by the ASEAN Capital Market Forum and GCG Guidelines issued by the National Committee of Governance Policy (KNKG) in 2006 and the Indonesian Corporate Governance Roadmap published by the Financial Services Authority (OJK) in January 2014.

PT AKR Corporindo Tbk believes that the implementation of GCG must be carried out yearly with ongoing improvements that are carefully planned to optimize effectiveness. The commitment to uphold the principles of GCG has always been a priority for the Company. This is kept in mind when making every business decision to ensure that all corporate policies have been reviewed regularly and are relevant to the increasingly dynamic business challenges.

The implementation of GCG should be able to increase efficiency, effectiveness, and sustainable effort to contribute and add value to stakeholders, both in the long term and short term.

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

<table>
<thead>
<tr>
<th>Governance Structure</th>
<th>Governance Process</th>
<th>Governance Outcome</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Main Organs</td>
<td>• Fulfillment of Shareholders’ rights of and equal treatment for all Shareholders.</td>
<td>• Maximizing the Company’s value.</td>
</tr>
<tr>
<td>• Supporting Organs</td>
<td>• Fulfillment of Stakeholders’ rights.</td>
<td>• Improving the Company’s competitiveness.</td>
</tr>
<tr>
<td>• Infrastructure</td>
<td>• Implementation of duties and responsibilities.</td>
<td>• Encouraging transparent and efficient management in the Company.</td>
</tr>
<tr>
<td></td>
<td>• Transparency of the Company’s financial and non-financial condition</td>
<td>• Encouraging corporate bodies to run the Company based on high moral values and compliance with legislation.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Controlling and directing relationships between Company bodies.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Encouraging corporate social responsibility awareness towards stakeholders.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increasing market confidence to encourage investment and national economic growth.</td>
</tr>
</tbody>
</table>
Platform for Implementation of Corporate Governance
The Corporate Governance principles applied by the Company are based on:
1. Law No. 40 Year 2007 of Republic of Indonesia on Limited Liability Companies;
2. Law No. 8 Year 1995 of Republic of Indonesia on Capital Market;
3. Financial Services Authority Regulation No. 21/POJK.04/2015 on Corporate Governance Implementation Guidelines;
4. Financial Services Authority Regulation No. 32/POJK.04/2014 on Planning and Organization of the General Meeting of Shareholders for Public Company;
5. Financial Services Authority Regulation No. 33/POJK.04/2014 on the Board of Directors and Board of Commissioners of Issuers and Public Companies;
6. Indonesia’s GCG Guidelines issued by the National Committee of Governance Policy;
7. Indonesian Corporate Governance Roadmap issued by Financial Services Authority.

Corporate Governance Principles
The Company’s GCG framework is based on the principles of transparency, accountability, responsibility, independency as well as fairness and equality.

Transparency
The Company continues to provide material and relevant information that is easily accessible and understood by stakeholders. The Company also continues to disclose relevant information as required by the laws, regulations and other important information for the stakeholders.

Accountability
The Company is accountable for its performance in a transparent and fair manner through proper Company management, in accordance with the interests of the Company, shareholders and other stakeholders.

Responsibility
The Company complies with laws and regulations and fulfills its responsibility towards society and the environment. This ensures that the sustainability of the business can be maintained in the long term, as well as gaining recognition as a good corporate citizen.

Independency
The Company is managed independently, with no unit dominating another, and free of intervention from other parties.

Fairness and Equality
The Company provides open access to information and gives stakeholders the opportunity to provide input and opinions to the Company. The Company provides fair and equitable treatment to all stakeholders in accordance with the benefits and contributions made to the Company. In addition, the Company also provides equal opportunities in recruitment and career progression regardless of race, religion, gender and physical condition.

GOVERNANCE STRUCTURE
In order to implement GCG in the Company in accordance with the laws and best practices, the Company has implemented several policies (soft structure) related to GCG as follows:

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;

Governance Mechanism
The Company has a governance mechanism which is based on the principle of equality to regulate each of the Company’s unit’s 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 with the help of the Internal Audit Unit, Company Secretary and investor relations.

The recognition and understanding of the Company's commitment to GCG and all levels of the Company is prioritized during all business activities. There are three main focus areas when implementing GCG, namely Compliance, Confidence and Transparency.

In upholding the principles of GCG, the Company conducts GCG internalization for all employees in all business processes and also provides external exposure through information dissemination activities.

<table>
<thead>
<tr>
<th>Internalization</th>
<th>External Exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Procurement Procedures</td>
<td>1. Investor relation activities (quarterly result briefing, investor presentations, conferences, roadshows, bespoke meetings attending by both investors and analysts).</td>
</tr>
<tr>
<td>3. Admission Procedure</td>
<td>3. Information disclosure to OJK and IDX.</td>
</tr>
<tr>
<td>5. Marketing Procedures</td>
<td>5. Regularly disseminate information through news releases to stakeholders.</td>
</tr>
</tbody>
</table>

Highlight of GCG Activities in 2020
The implementation of GCG in the Company’s business environment is a yearly process, including in 2020. In addition to the general activities that have been conducted every year, the Company has also improved its GCG implementation as a commitment to always follow the best practices of GCG standards. The following is the highlight of the Company’s GCG activities that have been carried out throughout 2020:

1. General Meeting of Shareholders (GMS) which takes place amidst large-scale social restriction (PSBB) while still implementing health protocol.
2. Launched web-based whistleblowing system.
3. Increasing employee understanding in the implementation of corporate governance and gratification control.
SUSTAINABILITY COMMITMENT

Social commitment to sustainable development is applied by AKR by conducting a Corporate Social Responsibility (CSR) program that is based on applicable national and international standards or criteria.

The legal basis in Indonesia that the Company has considered when implementing CSR, is as follows:

1. Law Number 40 in 2007 regarding Limited Liability Companies;
2. Government Regulation Number 47 in 2012 regarding Corporate Social and Environmental Responsibility of a Limited Liability Company;
3. Law Number 25 in 2007 regarding Investment;
4. Law Number 13 in 2011 regarding Caring for the Poor;
5. Regulation of the Minister of Social Affairs of the Republic of Indonesia Number 13 in 2012 regarding the responsibility of the business world in the implementation of Social Welfare.

There are several initiatives that have been observed by the Company based on internal studies:

1. ISO 26000 standard with 7 (seven) pillars, including responsibilities related to Human Rights (HAM), labor practices, environmental preservation, fair operating standards, consumer issues, engagement, and community development.
2. The Resolutions of 205 United Nations (UN) on Sustainable Development Goals (SDGs) as the global development agenda for the benefit of humans and planet Earth.
REMAINING FOCUSED IN CHALLENGING TIMES

SUMMARY REPORT 2020

The Company views Corporate Social Responsibility (CSR) as a manifestation of concern for the environment, respect for human rights, an obligation to provide a comfortable place and good working relationships with employees, prioritizing the maintenance of occupational health and safety, and participating in developing economies and local communities.

As an empowerment of local communities, the Company undertakes a policy to prioritize the use of local labor from locations surrounding the Company's operational area. For example, the recruitment of operator personnel at the Company's gas stations and terminals.

AKR seeks to adjust CSR programs to be in line with the UN SDGs. The Company believes that positive changes made in the community will have a sustainable impact on future generations. The Company is committed to achieving good business growth and contributing positively to the environment and society.

<table>
<thead>
<tr>
<th>Topic</th>
<th>Important ESG Items</th>
<th>Program</th>
<th>Sustainable Development Goal Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Environment</td>
<td>• Energy Efficiency</td>
<td>• Reduce in-house Consumption</td>
<td>• Support Government Biofuel initiatives</td>
</tr>
<tr>
<td></td>
<td>• Reduction of Greenhouse Gas Emissions</td>
<td>• Support Government Biofuel initiatives</td>
<td>• Introduce higher grade Gasoline Products</td>
</tr>
<tr>
<td></td>
<td>• Environmental Conservation</td>
<td>• Use Natural Gas in Power Generation for JIPE</td>
<td>• Stringent Controls in handling products</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Introduce LNG and Support Electric Cars in Future</td>
<td>• Tree plantation and mangrove restorations</td>
</tr>
<tr>
<td>Social</td>
<td>• Human Capital</td>
<td>• Equality in recruitment, competency development, and promotion, regardless of gender, ethnicity, race and religion</td>
<td>• Comply with the Labor Wage &amp; Rights provisions in Indonesia</td>
</tr>
<tr>
<td></td>
<td>• Product &amp; Occupational Safety</td>
<td>• Implement good Occupational Safety and Health Management System</td>
<td>• Safety awareness through training, to achieve target six zeros</td>
</tr>
<tr>
<td></td>
<td>• Customer engagement</td>
<td>• Safety awareness through training, to achieve target six zeros</td>
<td>• Empowerment for community in education, health, and wealth improvement</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Close engagement with customers by accommodating customer complaints through a technology system</td>
<td>• Close engagement with customers by accommodating customer complaints through a technology system</td>
</tr>
<tr>
<td>Governance</td>
<td>• Corporate Governance</td>
<td>• Engagement between Top Management and shareholders/investors</td>
<td>• Good risk management system</td>
</tr>
<tr>
<td></td>
<td>• Internal Controls</td>
<td>• Complete compliance system, including Corporate Secretary, Audit Committee, Internal Audit, Quality Assurance, Nomination &amp; Remuneration Committee</td>
<td>• Anti-corruption</td>
</tr>
<tr>
<td></td>
<td>• Corporate Act</td>
<td>• Anti-corruption</td>
<td>• Fair Business competition</td>
</tr>
<tr>
<td></td>
<td>• Responsibility to Stakeholders</td>
<td>• Fair Business competition</td>
<td></td>
</tr>
</tbody>
</table>

The Company realizes that good relations with the environment, community and other stakeholders are needed in supporting operational smoothness. AKR Corporindo understands and appreciates its responsibilities to its Customers, Shareholders, Employees, and other Stakeholders, as well as to people and communities in which we operate. Therefore, the Company is consistently improving the quality and quantity of the implementation of CSR programs. This is for mutually beneficial relationships between the community and the Company. Our medium-term strategy aims to incorporate best practices to ensure we meet these responsibilities.
CORPORATE SOCIAL RESPONSIBILITY GOVERNANCE

Pillars of CSR Program
In making its CSR program to be more focused, targeted, and with optimal impact, the Company covers all aspects of its operations. The decisions have been aligned with the SDGs that have been determined by the UN and ISO 26000.

The focus of the implementation of CSR programs remains centered on 4 (four) main stakeholders but with the enhancement of the quality of implementation in accordance with the latest international standards.

1. Employees
The Company pays great attention to Employment and Occupational Health & Safety by creating a safe, healthy and environmentally friendly working environment, as well as providing guidance for employees to give maximum contribution.

2. Environment
The Company strives to minimize the impact of its operations on the environment and to therefore preserve it.

3. Customers
The Company is committed to providing high quality services for consumers.
4. Public & Communities

The Company is committed to enhancing the social aspects for surrounding communities.

The Company has provided sufficient budget to perform all of its CSR activities using 3 (three) approaches, including economic development, openness in social order, and environmental sustainability.

CSR Commitment

The Company is committed to applying the principles of transparency and accountability in its business activities, including the implementation of CSR. This has been shown through the various policies that the Company has prepared to realize sustainable development. These policies are discussed in the Board of Directors meetings, and include the Company’s strategy and work program in dealing with economic, social and environmental issues.

Furthermore, the Board of Directors does request the direction and approval from the Board of Commissioners, including budget. The CSR strategies and programs from the management are socialized to all business units and become the commitment for all employees.

Methods and Scope of Due Diligence on Social, Economic and Environmental Impacts on The Company’s Activities

The Company carries out sustainable social responsibility activities that support our business and have a positive impact on the economy, society and environment. This ensures values received by stakeholders are sustainable and beneficial in the long term.

Financing and Cost of Social Responsibilities

During 2020 the Company carried out CSR activities at a cost of Rp15,262,649,008. This realization figure was 86.97% higher than the previous year’s CSR costs which reached Rp8,163,053,225. The significant increase in the Company’s CSR costs in 2020 is focused on supporting the handling of Covid-19.
CORPORATE SOCIAL RESPONSIBILITY
FOR EMPLOYMENT, HEALTH AND SAFETY

Commitments and Policies
As a responsible corporation, the Company supports and is committed to preserving the Earth through various policies and concrete actions on the ground. It prioritizes measures aimed at reducing the environmental damage for humans, while helping future generations to enjoy a better life.

PT AKR Corporindo Tbk prioritizes Environment Sustainability in all its businesses and is endeavoring to adopt best practices. Successful compliance with required domestic regulations and international certifications has already been achieved. Our goal is to attain the highest domestic rankings and be recognized by various international organizations for our contribution to environment sustainability.

The Company has established an environmental management system policy that has been agreed at Director Meetings. As a leading corporation engaged in various business activities with vast scope, the environmental policies in the Company include:

1. Compliance with laws and other certifications related to environmental protection and preservation that apply both nationally and internationally;
2. Applying the concept of Green Operations in every business activity;
3. Ensuring to always set the latest environmental management standards;
4. Make continuous improvements.

Coverage and Formulation
The scope of environmental protection and preservation activities includes risk management caused by the Company’s operational activities.

Planned Activities
In 2020, the Company prepared several working plans related to the environment which include:

1. Energy management for operational activities
2. Efficient use of energy
3. Emission control by monitoring and managing emissions resulting from Company activities;
4. Water and waste treatment
Corporate Social Responsibility for Employment, Health and Safety

Commitment and Policies
Organizational planning and Competence Development of Human Resources (HR), is a management responsibility that fosters a sense of caring for employees towards the pace of the Company’s business growth. HR is a major asset for the Company and ensures the interests of employees are a top priority that must be met. AKR has a policy to provide equal treatment for all employees, both in employment opportunities, remuneration, and training and development. AKR also has a policy to provide a safe and comfortable working environment for all employees in all business locations.

Coverage and Formulation
The scope of activities regarding employment and occupational health and safety includes gender equality programs, employment opportunities and equal rights, remuneration and employee welfare, freedom to convene, industrial relations, and occupational safety and health.

The Company has made Law No. 13 in 2003 regarding Manpower the main foundation in building employment together with employees. The Company has fulfilled the normative rights of employees as stipulated in the Act. In line with that, the Company has also prepared other facilities for employees in order to improve employee competency, capacity and welfare.

Planned Activities
AKR strives to be a company that always protects and pays attention to employees by obeying all applicable laws and regulations of employment. The Company strives to create conducive working conditions and ensures the safety of all employees.

Employment (formerly Jamsostek), to anticipate unexpected events experienced by the Company’s employees when carrying out their work.

Competency Development
The Company provides equal opportunities to all employees to participate in competency development programs that are carried out in accordance with the needs of the Company. In addition to supporting Company performance, this competency development program is carried out to increase employee productivity, skills and career development.

In 2020, the Company organized 10,379 training programs with 2,453 participants. These were conducted both in-house and by third parties. To support the competency development program, the Company is now equipped with a Learning Center and learning with e-learning methods.

Freedom to Associate
The Company guarantees the rights of employees to associate and gather as stipulated in the Law of Manpower. However, until the end of 2020 there were no trade union organizations established by AKR employees. Nevertheless, the Company always involves representatives of employees in determining company policies, especially those relating to employees in general. In the absence of trade union organizations, the Company strives to optimize HR management while taking into account the interests of employees. The Company implements good industrial relations coaching with employees because it realizes that the success of the HR field always begins with the successful development of harmonious Industrial Relations between companies and workers.
Mechanism to Settle Differences in Industrial Relations
Should there be a problem with industrial relations, Bipartite negotiations will be conducted (between employees and companies) with the following stages:
1. In the event of an agreement, the employee will make a resignation and the company will provide compensation in accordance with the agreement of both parties or a Joint Agreement (PB).
2. If no agreement is reached, the Bipartite minutes will be made and submitted to the Manpower Office for mediation.
3. If in the mediation an agreement is reached, a peace deed is made.
4. If there is no agreement, there will be a recommendation from the Manpower Office.
5. If unable to accept advice, then it proceeds to the Industrial Relations Court (PHI).
6. After the decision of the Industrial Relations Court, and still no agreement, it proceeds to the Supreme Court.
7. The Supreme Court's decision is binding and must be fulfilled.

Employee Turnover Rate
The Company strives to properly manage the employee turnover rate. One way is by reviewing the existing policies related to remuneration and benefit packages for employees. In addition to financial issues, improvements are aimed to create a conducive and pleasant working environment for employees. A proper working environment tends to lower employee turnover.

During 2020, the Company recruited 562 new employees. Outgoing employees were 340 people, in which 6 people passed away, 16 people retired, and 147 people due to end of contract. While 158 people resigned at their own request and 13 people left because of other reasons.

In relation to the rights of female employees on maternity leave, the leave of absence is set for 3 (three) months. During 2020, there were 20 female employees taking maternity leave. Out of that number, 20 employees or 100% have returned to work and is still working for up to 12 months after his leave period ends. Meanwhile, there were 134 male employees who are entitled to take leave to accompany their wives to give birth and 100% have returned to work and is still working for up to 12 months after their leave period ends. On the other hand, the employee turnover rate in 2020 was 1.1%.

Occupational Health and Safety
To create a safe, healthy and environmentally friendly work environment, the Company established the Safety, Health and Environment (K3L/SHE) Department. All workers must understand, support, implement and help implement SHE policies. All workers are required to keep the working environment clean, safe and comfortable to not interfere with other workers. In addition, workers must work together to create a working environment that is free from pollution of water, noise, and others that can interfere with performance. The related parties in SHE application are the community, government agencies, fire brigade, and local government.

Regarding occupational health and safety, the Company is fully committed, as indicated on the “Six Zeroes” targets of SHE implementation including:
1. Zero Fatality (prevent accidents that result in loss of life);
2. Zero Lost Time Injury (prevent working accidents that result in lost working time);
3. Zero Cross Over (prevents the exchange or mixing of products)
4. Zero Product Quality Problems (prevents incidents that cause problems on product quality);
5. Zero Spillage (prevents product spillage during discharge);
6. Zero Potential Fatality Accident (prevents working accidents that have the potential for loss of life).

Health
The Company also provides other health facilities to employees, including:
1. Medical check-ups for employees;
2. First aid kits and medicine for mild illnesses on every floor of the building or in every branch/terminal;
3. First aid training and appointment of a first aider on every floor of the building or in every site;
4. BPJS Health membership with employee participation as of December 31, 2020 reaching 100%
5. Lactation Room for female employees who are breastfeeding

The Covid-19 pandemic in 2020 is a major challenge that affects all aspects of life, both globally and domestically. For the Company, employee health is very important to maintain the stability of Company performance. As part of the implementation of K3, the Company has made various efforts related to managing the risk of the Covid-19 pandemic, including:
• Establishment of central, regional, branch and subsidiary task force teams.
• Creation of a health protocol handbook for the task force and employees.
• Limiting admissions with health declaration forms.
• Regular outreach of health protocols.
• Routine weekly reports for monitoring the implementation of Covid mitigation from all branches.
• Covid-19 tests for all employees on a regular basis.

In addition, as an effort to prevent the spread of Covid-19 in the work environment, the Company provides hand sanitizers in several public areas, washbasins and soap at the gate, an observation room for Covid-suspects, body temperature checks and masks at the entrance, spraying routine disinfectant, the use of UV irradiation and air purifiers, routine cleaning of carpets and air conditioning so that all employees feel safe and comfortable while working during pandemic.

In 2020, the Company contributed a number of costs in order to handling Covid-19, consisting of:
Summary Report 2020 PT AKR Corporindo Tbk

SUMMARY REPORT 2020
REMAINING FOCUSED IN CHALLENGING TIMES

<table>
<thead>
<tr>
<th>Description</th>
<th>2020</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of incoming employees</td>
<td>562</td>
<td>531</td>
</tr>
<tr>
<td>Number of employees who left:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Deceased</td>
<td>6</td>
<td>3</td>
</tr>
<tr>
<td>• Retired</td>
<td>16</td>
<td>11</td>
</tr>
<tr>
<td>• Resigned at own request</td>
<td>158</td>
<td>270</td>
</tr>
<tr>
<td>• Resigned due to other reasons</td>
<td>13</td>
<td>21</td>
</tr>
<tr>
<td>• Resigned due to contract ended</td>
<td>147</td>
<td>139</td>
</tr>
<tr>
<td>Total employees at the beginning of the year</td>
<td>2,507</td>
<td>2,125</td>
</tr>
<tr>
<td>Total employees at the end of the year</td>
<td>2,545</td>
<td>2,507</td>
</tr>
<tr>
<td>Turnover rate*</td>
<td>1,1%</td>
<td>-1,2%</td>
</tr>
</tbody>
</table>

*) Turnover only includes permanent employees who resign at their own request and others (excluding deceased, retirement and contract expiration)

Mechanism to Report K3 Issues
The Company provides opportunities to every employee who feels they have received unfair treatment, not in accordance with Company Regulations or the provisions in the labor laws and regulations, to report directly to the Company. At first, AKR emphasizes a settlement based on principles of kinship through communication for reaching an agreement. However, if an agreement is still not reached, then the employee can report the relevant issue to the Human Resource Development Division to get the best solution in accordance with the applicable regulations in the Company and labor laws.

Impact and Achievements
The Company considers that the implementation of social activities that pay attention to employment to meet the welfare and safety of employees has had a positive impact in supporting business activities and achieving business performance.

AKR’s performance through SHE was positive. There was no LTI during 2020 at the Tank Terminal and Warehouse. The significant decrease in the number of accidents such as environmental accidents as seen in the LTIFR and TRIFR in 2020 was lower than 2019. AKR continues to mitigate risks and involve employees to reduce the number and fatality from incidents.

<table>
<thead>
<tr>
<th>Description</th>
<th>Total Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular rapid/serology/PCR test</td>
<td>Rp903,083,138</td>
</tr>
<tr>
<td>Disinfectant kits</td>
<td>Rp850,244,808</td>
</tr>
<tr>
<td>Lunch &amp; transportation</td>
<td>Rp2,444,205,585</td>
</tr>
<tr>
<td>Treatment</td>
<td>Rp455,879,909</td>
</tr>
<tr>
<td>PPE donations</td>
<td>Rp9,176,189,448</td>
</tr>
<tr>
<td>Other costs associated with the Covid-19 countermeasure</td>
<td>Rp299,998,194</td>
</tr>
<tr>
<td>No.</td>
<td>Branch Location</td>
</tr>
<tr>
<td>-----</td>
<td>----------------</td>
</tr>
<tr>
<td>1</td>
<td>Lampung</td>
</tr>
<tr>
<td>2</td>
<td>Banjarmasin</td>
</tr>
<tr>
<td>3</td>
<td>Stagen</td>
</tr>
<tr>
<td>4</td>
<td>Palaran</td>
</tr>
<tr>
<td>5</td>
<td>Bitung</td>
</tr>
</tbody>
</table>
CORPORATE SOCIAL RESPONSIBILITY FOR SOCIAL AFFAIRS

Commitment and Policies
The Company is committed to and actively organizes a number of activities to realize Corporate Social Responsibility (CSR). The Company realizes that Corporate Social Responsibility is an obligation, as stipulated in Law Number 40 of 2007 concerning Limited Liability Companies.

Coverage and Formulation
The Company is well aware that it is also part of the general public. The business growth achieved by AKR cannot be separated from the participation of the community. For this reason, the Company also pays significant attention to social development which is manifested in various activities related to the socio-cultural community.

The Company’s Board of Directors reviewed the CSR activities for the previous year and created the social activities for the following year. The plan was then disseminated to all branches and operational areas.

Planned Activities
The implementation of Corporate Social Responsibility in the social aspects of the community is directed at programs that are empowering and provide benefits to the communities. The approach in designing the CSR activities for social communities is also based on internal monitoring from employees. Considering that the operational scope of the Company’s business activities is vast, the social monitoring and analysis for communities is entrusted directly to each branch and operational area. AKR Head Office has a role to remind that social activities must be focused on handling social issues and problems that arise in the target community and given to the appropriate stakeholder.

Activities in 2020
In 2020, the Company conducted several CSR activities related to social communities as follows...
<table>
<thead>
<tr>
<th>No.</th>
<th>Program (Company/Subsidiary/Branch/Joint Venture)</th>
<th>Description</th>
<th>Category</th>
<th>Objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>AKR HO</td>
<td>AKR Cares for Education in the form of scholarships for children of AKR employees with outstanding achievements that are routinely distributed every year. The number of employees' children receiving scholarships in 2020 was 264 children.</td>
<td>Education</td>
<td>Helping to improve the quality of education for the nation’s children.</td>
</tr>
<tr>
<td>2</td>
<td>AKR HO</td>
<td>AKR Cares for children with disabilities in the form of donations to the Jakarta Foundation for Development of Disabled Children (YPAC).</td>
<td>Education</td>
<td>Improve the quality of life for people with disabilities.</td>
</tr>
<tr>
<td>3</td>
<td>AKR HO, branches and subsidiaries</td>
<td>AKR Cares About Covid Distributing relief in the form of medical needs for hospitals (ventilators, medical equipment, PPE, masks, etc.) and distributing social relief to surrounding communities affected by the pandemic.</td>
<td>Health</td>
<td>Contribute to reducing the burden that comes with the impact of the pandemic.</td>
</tr>
<tr>
<td>4</td>
<td>AKR Surabaya and Marunda</td>
<td>Routine Blood Donation</td>
<td>Health</td>
<td>Humanitarian assistance for those in need.</td>
</tr>
<tr>
<td>5</td>
<td>BKMS (JIIPE)</td>
<td>Health facilities in the form ambulance car donation for Manyarejo Village, Gresik, East Java</td>
<td>Health</td>
<td>Providing solutions for the inadequate needs of health facilities.</td>
</tr>
<tr>
<td>6</td>
<td>AKR</td>
<td>Support for the BBM 1 Price program</td>
<td>Social</td>
<td>Support for government programs in the name of social justice for all Indonesian people.</td>
</tr>
<tr>
<td>7</td>
<td>AKR, JTT, BKMS</td>
<td>Handover of sacrificial animals to residents around the operational area commemorating Eid al-Adha.</td>
<td>Social Religious</td>
<td>To be happy to celebrate religious holidays and to build unity and integrity among people.</td>
</tr>
<tr>
<td>8</td>
<td>BKMS</td>
<td>Training of Making Soap from Used Cooking Oil</td>
<td>Social</td>
<td>Improve the skills of residents around the JIIPE area.</td>
</tr>
<tr>
<td>9</td>
<td>BKMS</td>
<td>Clean Water Installation for Manyarsidorukun Village, Gresik, East Java</td>
<td>Social</td>
<td>Improve the quality of life, provide water for the people of Manyarsidorukun Village, Gresik, East Java.</td>
</tr>
<tr>
<td>10</td>
<td>APR</td>
<td>Building community facilities in Anom Village, Tanjung Anom District, Tangerang Regency, such as repairing a mosque and building a bridge</td>
<td>Social</td>
<td>Improve the quality of life and infrastructure facilities for residents of the village of Anom, Tanjung Anom District, Tangerang Regency.</td>
</tr>
<tr>
<td>11</td>
<td>BKMS (JIIPE)</td>
<td>Tree planting at JIIPE</td>
<td>Environmental</td>
<td>Improve the quality of life, air and the surrounding environment.</td>
</tr>
<tr>
<td>12</td>
<td>ARUKI</td>
<td>Donating Trembesi and Ketapang tree seedlings to the Surabaya Municipal Government’s Cleanliness and Green Open Space Agency</td>
<td>Environmental</td>
<td>Improve the quality of life, air and the surrounding environment.</td>
</tr>
</tbody>
</table>
Impact and Achievements

The social activities have provided considerable benefits for the community in improving their welfare. Donations and assistance in educational, religious and health areas have been adjusted to cater to issues and problems in the communities. These social activities were all planned and conducted sustainably because the Company is aware of the increased benefits that the communities have felt.

Other CSR activities that were carried out by branches and operational areas have generated a positive impact on business continuity. The presence of the Company and the provision of social and economic benefits for the surrounding communities has also certainly had a positive influence on business continuity. Community social activities conducted by AKR provide substantial benefits for the communities in improving their welfare.
CORPORATE SOCIAL RESPONSIBILITY
TO CUSTOMERS

Commitment and Policies
Customers are obviously important for the Company so in regard to Social Responsibility towards them, AKR has always strived to provide the best products and services and convey clear product information through various channels and activities. The Company has the policies and SOPs to maintain quality as a form of responsibility to consumers.

Coverage and Formulation
The Company has a policy in management and quality services for customers which include the following:

Planned Activities
The implementation of Social Responsibility to customers is directed at fulfilling the Company's business contracts without any breach of contractual issues. The Company has also continuously measured and evaluated the level of customer satisfaction with surveys and interactions between Company employees and customers.

The policy on quality and standard operating procedures is important for the Company. The implementation of business activities is in accordance with the standards that provide quality products and services.

Conducted Activities
Activities in Corporate Social Responsibility related to customers include:

Availability of Product Information
AKR provides various channels to customers to obtain information related to products allowing customers to easily obtain that information, through websites, call centers, leaflets, brochures, advertisements in print media, and social media. The product information presented includes:
1. Product specifications
2. Instructions for use
3. Safety procedures

Customer service
AKR Tower Lt. 26
JL. Panjang No. 5 Kebon Jeruk
Jakarta Barat 11530, Indonesia
+62 21 5311110
Customer Complaints
Customer service and satisfaction are the key to business. We prioritize this and have developed a comprehensive, online system to record and resolve customer complaints. The Company has a channel to accommodate customer complaints through the M-Files technology system. This system was designed according to customer requirements so that complaints can be facilitated easily in a simple and informative way. The system workflow is as follows:

Customer complaints via e-mail, telephone, or direct communication with customers are input into this system by the Customer Relationship Officer (CRO) according to the respective branches. The complaint is then followed up with an assignment to each PIC related to the complaint. The PIC will follow up and update the assignment. On complaint resolution, The CRO receives a notification.

Impact and Achievements
Social activities related to customers to guarantee the satisfaction and management of other issues have brought a positive impact in improving the Company's overall revenues. Our business continuity is realized through the loyalty level of customers who are satisfied with our products and services.
Welcome to the Annual Report of PT AKR Corporindo Tbk for fiscal year 2020 with the theme “Remaining Focused in Challenging Times”. The theme explains how AKR was able to deliver a strong operational and financial performance in 2020, despite challenges posed by Covid-19. We adapted and remained agile in the midst of uncertainty. The robust Continuity of Business protocols enabled us to serve our customers without disruption. Investments made in our logistic network, new businesses, Information Technology Platform, and Human Resources enabled our management to adjust to the New Normal quickly. Meanwhile, Management continued to prioritize implementing best practices in Environmental, Social, and Governance (ESG) initiatives.

The objective of this report is to assist all stakeholders in better understanding the operational activities, financial performance, ESG initiatives, and the strategic direction of the Company towards a better future.