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Hearts & Minds

Nurturing responsible leaders

*PwC Indonesia -
Our second Corporate
Responsibility report*



pwc

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Messages from Chairman & Senior Partner

Corporate responsibility (CR) is about leadership – taking deliberate actions that not only highlight the integrity that we take to our clients and marketplace every day, but also the commitment we have to our people, our communities and the environment in which we live.

When each of us acts responsibly, our actions will create positive change. Collectively, these actions can make a real difference.

Thank you to those who have supported our CR initiatives to date. I encourage you to continue participate.

Our corporate responsibility is not an end, it is a journey.

Jusuf Wibisana
Chairman

We design our CR strategies and plans to ensure that the work we do makes a meaningful difference to our people, our market, our communities and our environment.

We continue to expand our CR initiatives, looking for new ways to deliver high quality services to our clients, demonstrate responsibility to our employees, support our communities and reduce our environmental impact.

Your previous support for our CR initiatives have been extremely important. I look forward to working with you on these important initiatives going forwards.

Irhoan Tanudiredja
Senior Partner

Notes from CR Partner



Corporate responsibility (CR) in PwC Indonesia has been in the hearts of our people for a long time. PwCare continues to provide a channel for our people to engage with their local communities, whilst the broader challenges now being presented by sustainability and climate change require new responses and expertise .

I am excited to have started to work on these issues with our Sustainability & Climate Change practice. Through this connection, I am sure that our CR journey will provide greater value to our clients, our people, our communities and our environment – the foundations on which we have built the organization we are today.

This is the year of PwC Indonesia's 40th anniversary. As many people say, "life begins at 40". We will continue to preserve loyalty and trust and to deliver value across all four quadrants.

Yusron Fauzan

Our strategic approach to corporate responsibility (CR)

CR has evolved far beyond simple business philanthropy. Corporate scandals, NGO pressures and a broader public understanding of environmental and social issues have had a significant impact on today's business model. It is no longer enough to merely turn a profit and comply with the law.

At PwC, we look at CR across the four quadrants of marketplace, people, community and environment. We believe that by considering the wider impact of our decisions in these four areas, we are better able to embed corporate responsibility into all our business planning and processes.



1

Our Marketplace

PwC is committed to responsible business practices and promoting responsible corporate citizenship. We actively promote sustainable practices and good governance.



2

Our People

PwC is committed to investing in our people to support them in reaching both their personal and professional goals. We will develop responsible leaders who can build trust-based relationships with each other, our clients and our stakeholders.



3

Our Communities

PwC is committed to making a positive impact on our communities by sharing our time, knowledge and resources as well as inspiring and harnessing the dedication and capabilities of our people.



4

Our Environment

PwC is committed to respecting the environment by raising awareness of the footprint we are leaving on the planet and taking steps to reduce the environmental impact of our business.



4,399

hours spent in team
volunteering during
community days

>95,000

training hours logged
every year

602

of our people
participated in our
community days

CR in Numbers and Pictures

>6,000

trees planted

>US\$100,000

allocated for the dream
school project since 2006 .



Our stories with The Learning Farm

US\$35k – our financial
assistance to support the programme.

Eight young people participated
in our mentoring programme under the
Inspiring Young Leaders programme.

We also actively support their organic
marketing activities and invited them to
open a corner in our office, celebrate the
Earth Day in April 2010, and sold their
organic products.



16

young people mentored
during the Peak
programme

> 100

interns placed
every year

14

projects completed
during community
days

US\$217,000

distributed to community projects and
natural disaster assistance

almost

20%

of our people made regular
donations through monthly
payroll

During our program with Kadin, more than 1,200 hours (US\$ 250k in value) have been spent on preparing, coordinating and managing the programme, including the workshop and mentoring visits.

> 1,200 hours





Our Marketplace

PwC is committed to responsible business practices and promoting responsible corporate citizenship. We actively promote sustainable practices and good governance.

Our commitment to the marketplace

As professional providers of assurance, tax and advisory services, creating and maintaining trust is critically important to us. How we do our business and how we serve and interact with our clients is our biggest impact as an organization.

It is our duty to actively participate in the development of professional standards and policies to ensure transparency and integrity in our markets, help clients build value, manage risk and improve performance.

Our success depends on having an ethical culture that engenders trust in the marketplace. We must practice internally what we advocate for our clients as a trusted professional services firms.

Our focus in the marketplace therefore includes:

- Conducting professional services
- Facilitating better governance
- Promoting thought leadership
- Supporting a sustainable economy

Conducting professional services

Code of conduct. PwC's Code of Conduct is an integral part of our day-to-day work. It defines how we do in a wide range of settings and situations.

Client service feedback.

In understanding how we can improve the way we work with our clients, we have annual feedback review programs namely Eclipse surveys and Client Care Visit (CCV) programs. In Eclipse e-surveys, we ask our clients to give us feedback in performance indicators. While in the Client Care Visit program, our representative, who is independent of the ongoing client relationship and the senior client staff have a face-to-face meeting. Through these two initiatives, we have a very rich source of data about our clients' view and experiences.

Facilitating better governance

Risk and quality

management. Our R&Q team helps ensure that all aspects of risk, quality and independence are embedded as part of the culture of the firm and the minds of our people. We have local and global teams regularly perform quality reviews on our clients engagement procedures to ensure they comply with the R&Q requirements.

Client and engagement

acceptance. The acceptance process is crucial to identify and manage any client and/or engagements which may pose a risk to our reputation for integrity and responsibility.

Supporting a sustainable economy

Promoting Indonesia's small and medium scale enterprises

PwC has been working with the Indonesian Chamber of Commerce and Industry (KADIN) to empower small and medium-scale enterprises (SMEs) by providing training and mentoring for entrepreneurs in Central Java.

The workshops and mentoring provided insights to the entrepreneurs on governance areas including technical issues in accounting/tax/finance.

Sustainability & Climate Change (S&CC)

The President's commitment to a 'pro-growth, pro-job, pro-poor and pro-environment agenda' provides Indonesia with an opportunity to be amongst the leaders in terms of sustainable growth.

Amongst other initiatives, PwC currently hosts the secretariat of ALBI – the Alliance of Low Carbon Business in Indonesia. ALBI focuses on the benefits of low carbon development, and seeks to support the governments reduce emissions by 26% below business-as-usual estimates for 2020, whilst delivering economic growth of 7% per annum.

Facilitating Foreign Bank Association (FBA)

PwC helps facilitate FBA which was formed in February 2006 with the objective of playing a positive role in strengthening Indonesia's banking system.

PwC provides specific support on the bookkeeping, including the tax compliance and the financial reporting of the Association.

How can business and government best work together to deliver green growth in Indonesia?

A session briefing paper prepared by PwC on behalf of the World Economic Forum

PwC is project advisor to the Corporate Global Citizenship in the Environment (CGCE) initiative

Promoting thought leadership

Our thought leadership is the means by which we articulate our distinctive points of view on major business and emerging trends. It's also our way to share our knowledge with our clients and the greater business community.

We also regularly hold seminars, training and roundtable discussions to share our insights and updates on the recent regulations that might have an impact on business.

PwC is the World Economic Forum (WEF)'s strategic, Annual Meeting and event partner and produce briefing paper on green growth to inform the discussion at the World Economic Forum's East Asia Meeting in June 2011.





Our People

PwC is committed to investing in our people to support them in reaching both their personal and professional goals. We will develop responsible leaders who can build trust-based relationships with each other, our clients and our stakeholders.

Our commitment to our people

Our people are the core of our business and our most valuable asset. Attracting and retaining the best people is key to us.

Our people programs are focused on four key areas:

- Creating opportunities
- Attracting the best
- Inspiring new leaders
- Promoting activities outside of work

Attracting the best

Interns – We regularly open internship programs providing placement in various lines of service both client and non-client service. Many interns, upon completion of their internship, have an opportunity to subsequently join the firm.

Open house – University students were invited to our office to hear presentations about our business and internal activities. Events were accompanied by industry booths which allowed participants to speak directly to the respective people about our industry and services.

Facebook – Our facebook account provides a convenient forum for candidates to access information and get in touch with us. It gives them exposure to the PwC Experience early in their interaction with us.

Creating opportunities for our people

Training – The PwC learning curriculum helps equip our people to perform their job by providing them the core competencies across a range of industries and departments as well as general business skills. More than 95,000 hours are logged annually in our learning and education programs.

Coaching – Through our Performance Coaching & Development system, each person is assigned a coach who provides assistance and advice to promote their professional development. The results from the annual Upward Feedback program are also part of the coaching conversation to plan development actions points.

Employee survey – We conduct an annual people survey to understand the engagement of our people. This survey to which around 80% of staff responded plays a critical role in helping the firm focus on key areas for development.

PwC Experience – We have developed a set of behaviours to guide us in providing distinctive experiences for our clients and our people. The PwC Experience award has been created to promote a strong rewarding culture.

Inspiring New Leader

Inspiring Young Leaders Program (IYL)

For around nine months each year a group of senior managers and managers are given the opportunity to gain leadership experience, through a series of workshops and projects. The workshops focus on leadership frameworks, including Covey's 7-habits, gaining self awareness, developing trust-based relationships, moving from good into great leaders and leaving a leadership legacy.

In addition, they are given the opportunity to shadow partners on key strategic program, observe how they behave and put their attitude into practice in every day life.

They also actively engage in mentoring disadvantaged young people from two community organisations – The Learning Farm and Emmanuel Foundation. One-to-one mentoring is provided and a number of workshop are also run.

The whole program reflects a learning model that not only benefits the participants and the firm but also makes a difference and impact in our community.



Promoting activities outside of work

At PwC we actively support our staff in their efforts to have a satisfying work life balance. In addition to weekly sports and games such as badminton, football and tennis, we regularly hold a sport championship, such as PwC Indonesia Soccer Championship which in 2011 was held for the 5th time.

Wellness programmes. In the office we provide regular communication on topics related to occupational health, as well as seminars on Ergonomics, Nutrition, Cervical Cancer and Healthy Hearts. Cervical Cancer Vaccination Sessions were available in our office for our people as part of their medical programmes.



“We were assigned to become mentors to young people from The Learning Farm, an organisation that helps young people who previously had youth issues such as drugs, homelessness, or other psychosocial matters.

In our last workshop, we took turns and asked them to be our teachers, sharing their mastery in organic farming with us. We saw that this would be a good opportunity for them to practice the communication and presentations skills learnt in previous workshops, on things that they were good at. We admired their confidence in presenting this “new knowledge” to us. They showed us the different types of soil, the difference between organic and non-organic fertilizer and how to actually plant vegetables - a feeling of high surrounded that moment.

These bright young people had showed us what they were made of; the courage, the need to see people with an open mind and fresh perspective, and the humbleness to appreciate our blessings from God.”

Mutiara Pratiwi and Andreas Sagita
– second batch IYL participants.



Our Communities

PwC is committed to making a positive impact on our communities by sharing our time, knowledge and resources as well as inspiring and harnessing the dedication and capabilities of our people.

Our commitment to our communities

Our work in the community area centres on four pillars:

- **People giving** – an initiative involving the donation of money by our people and /or the firm to support community organization.
- **Volunteering** – our people providing volunteering assistance to community organization.
- **Pro bono services.**
- **Corporate Community Leadership** – providing funding and supporting strategic programs with community organizations.

In May 2010, we launched our first staff survey to obtain feedback on our community initiatives. The result will serve as our learning tool to help us in developing our future community and volunteering initiatives.

The survey results showed that the top three causes that our people are interested in supporting are education, environment and poverty.

There is also a desire to provide a programme to support our internal staff's personal growth and development.

The dream school project

On 25 May 2010 we celebrated our accomplished mission; a mission to make the children's dream come true, a dream to have a good education in a good school.

The Dream School project, located at SDN Pondok Kacang barat 3-Tangerang, started in 2006 (with the support of PwC as main funding sponsor) with the construction of the three-storey building, working with the Nurani Dunia foundation. While it used to have only three classrooms, now the school has nine classrooms for around 550 students - an increase of 26% on student numbers; and a three level multipurpose hall, consisting of a library, computer lab, music room and students' hall.

To ensure optimal results and benefits for the community, all parties involved have invested their continued belief and long-term commitment to the Dream School Project. In realizing this, PwC along with their contributing counterparts have demonstrated a great collaboration between corporate, social and civil society. I am confident that the Dream School Project will serve as a useful model for future community-based participatory programs in Indonesia.

Imam Prasodjo – founder of Nurani Dunia foundation

The Learning Farm (TLF)

TLF provides a four-months residential life-skills training programme for vulnerable youth to help them become more independent. Behaviour and attitudes are the main learning factors focused on, through the medium of organic farming.

We have supported TLF for three years, funding their programs, and in 2010 our partner Laksmi Djuwita was invited to join the TLF Board of Trustees, helping to share insights and giving advice to the organizational strategy.

“The Learning Farm was very fortunate to be a recipient of PwC’s generous support. In particular, our youth benefited tremendously from the hands-on assistance provided by PwC mentors in the Peak programme in preparing them for a professional future. We also deeply value the improved governance provided by Ibu Laksmi Djuwita on her contribution in financial supervision. We hope to be able to further deepen our relationship in the future.”

**- Christian Van Schoote –
Chairman Board of trustee
of TLF**



Dancing for the future of Papua

Inspired by the work in education by Prof. Yohanes Surya, Ph.D, eight partners and technical advisors performed a sponsored wayang orang play to raise funds, for children in Papua.

Dressed in the characters’ costumes – they raised over US\$41k which was used to support computer training program at the Professor’s learning center. This initiative will help the children to embrace the 21st century, and to increase their digital literacy skills.



PwC Village

The PwC Village programme provides loans to women, enabling them to support their family’s economy by working with a local microfinance organisation that adopts the Grameen Bank system.

Under this programme, we have adopted an area in Cileungsi District, Bogor. We plan to support the project for three years, starting from 2011, providing total funds of Rp 4 billion with the aim of serving 3,000 eligible clients in this village.

The three-year target of helping 3,000 people is intended to cover 45 villages in this district, with a targeted non-performing loan at 1% .





Our Environment

PwC is committed to respecting the environment by raising awareness of the footprint we are leaving on the planet and taking steps to reduce the environmental impact of our business.

Our commitment to the environment

At PwC we understand the importance of environmental protection and actively seek to both raise our awareness of environmental issues and lesson our environmental impact.

Our priority areas are:

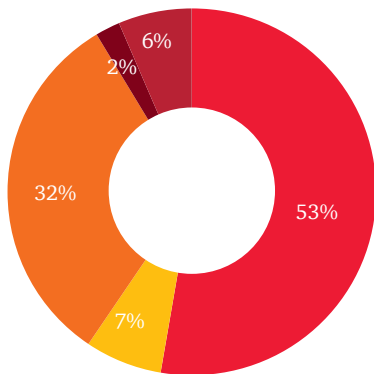
- Creating greener offices
- Raising environmental awareness
- Supporting local biodiversity and conservation

Supporting local biodiversity and conservation

PwC participated in the Jakarta's Green Belt Program by planting mangroves. A report noted that Jakarta is the fifth city in the world on high alert from a high sea level attack; and mangrove helped protect the area.

We also participated in "tree adoption" program, in the area of Gunung Gede Pangrango, where an area of 3 hectares was adopted for 1,200 trees.

Emission by activity 1 July 2010 - 30 June 2011



- Purchased Electricity
- Business Travel - Air Travel
- Purchased Paper
- Electricity Transmissions Losses
- Business Travel - Car Travel to Clients

Creating greener offices

Green technology - Our green technology strategy has helped reduce our impact on the environment. In addition to double-sided printing and smart lighting, a number of internal business process have become digital and this 'paperless working' continues to expand into other business processes. In purchasing our IT equipments/products, we also only purchase those products which have been certified "green".

Firm's carbon footprint - In 2011, we started to calculate our firm's carbon footprint, in order to understand our most significant carbon emission sources, to set a baseline and develop a reduction target.



“You are talking to the “Converted”. If we don’t care about our LOVELY planet, who else will. I fully support the idea. Please go ahead to print double sided on our report. After all, the substance is more important than the form” – a quote from one of our clients, who agreed to have their group financial statements double sided

Raising environmental awareness

Earth hour - We continued to support the Earth Hour, a global initiative by WWF, by switching off electricity for one hour in our building. During one of our earth hour campaign, we asked our people for ideas on how to reduce our impact to environment. Around 40 of our people gave responses and were presented with plants to help awareness of how green planting can help us reduce environmental impact.

Earth day – Celebrating the Earth Day on 22 April 2010, we encouraged our assurance colleagues to invite their clients to have their financial statements printed double sided. In one group audit engagement, having the group’s financial statements printed double sided saved around 6,500 sheets of paper! To promote the event, we held an organic market, selling organic vegetables in the office as well as providing information how organic vegetables can help promote support the environmental act.



Our people and community day

During community day, our people not only go out and connect with communities, but they experience something way beyond that. The activities are planned, arranged and conducted on a team basis which naturally embedded the PwC Experience behaviours and firm values both in their teams and within the community they are helping.

155 total volunteers from Assurance team continued to engage their hearts and minds for the community. Starting with 1,000 they continued to plant another 4,000 mangroves while the school facility betterment project include the repair of more than 700 chairs, tables and school cabinet.



60 volunteers from Assurance team collaborated with young people from Cilincing to be hold a session on recycling paper supported by Hope World Wide Indonesia. The event was held to create awareness of how waste paper can be useful, to share knowledge and experience of the recycling paper process, and to build creativity in creating products from recycled paper.

75 volunteers from Assurance team headed to Hutan Lindung Muara Angke - Kapuk, North Jakarta, to plant 1,001 mangroves during their community day.



I enjoyed the day when my self and other teams had to work a bit longer to prepare the students activities in the school and wrapping gifts. The tiredness paid off when I saw the happy and excited faces from the students when we came to the school. It was an irreplaceable feeling (Gracia Renata)



I volunteered to teach english to 1st grade to 3rd grade elementary students during my team community day. The children there were very happy and very excited to learn. I did enjoy every moment of it (Danny Joputra).



This event was totally a great event and I wonder if this event could be held continuously. It was really helpful in developing the students, especially UNTAR, in practical knowledge. My juniors in UNTAR felt lucky they could learn from PwC (Verita).

I joined my team community day to plant mangroves. At first I refused to plant the tree because the area was not clean, looked disgusting, and was full of mud. But when I saw my friends, my partners and managers were really enthusiastic and enjoyed the planting session, I took courage and joined them, in planting the trees. In the end felt happy to share the mud, smiles, and of course doing something for the green environment (Diah Rahmaningsih).



A total of around 280 of our people in the CIPSTICE Assurance, RCS and TLS teams took part in various activities with the local communities ranging from tutoring students to planting trees.



Our other stories in the communities



The library projects:

4 libraries projects in the schools in Tangerang were created for the last 2 years. The libraries have been widely used for teaching and learning experiences, and inspiring others.

As-Syifa Amanda Putri – SDN Pondok Kacang Barat 3 (Second winner at Bakrie & Brothers poetry competition)

“Book is a window to the world. With reading books we can know what happen around the world. I am so happy we have great library here. I like to read the ‘petualangan latifah’



School's name	Progress
SDN Pondok Kacang Timur 01 (built by FS Assurance volunteers in June 2008)	<ul style="list-style-type: none"> Has more than 2,000 collections in their library. The school has initiated a ‘library day’ every three months. In this day, the teachers and students take turns to do story telling. Student with compelling performance receives an award.
SDN Pondok Kacang Timur 05 (supported by SPA volunteers in May 2009)	<ul style="list-style-type: none"> The school launched a ‘one book donation’ initiative for the graduating students to help add the library collection.
SDN Pakulonan I (created by IPS Assurance volunteers in September 2008)	<ul style="list-style-type: none"> More than 1,000 books collection. Following our support, the school has received more development support from the district government.
SDN Pondok Kacang Barat 3 – the “Dream Library” (crafted by Advisory volunteers in January 2009)	<ul style="list-style-type: none"> Collecting more than 6,000 books. Receiving positive responses from the mothers who accompanying their children. One student received an award in a reading competition.

Diti – SDN Pondok Kacang Timur 1 (second honorary mention at student’s quiz at District’s competition)

“I am very happy we have a school library. I often come to library during class breaks. Thank you for the supports from PwC. I look forward to receiving PwC volunteers again. Ditunggu ya, Kak...”



6,000 mangroves - now planted to support the Jakarta's Green Belt Program.

96% of the 1,200 trees we planted in 2008 as part of the 'tree adoption' program, in the area of Gunung Gede Pangrango, are showing good progress. Our adopted trees are collaboratively maintained by the Gunung Gede team and the surrounding farmers.

Other community projects

Natural disaster assistance

– Our people have continued to offer support through the provision of disaster relief for catastrophes such as the 2009 Tasikmalaya and Padang Earthquakes and the 2010 Merapi eruption and Mentawai tsunami. Our donations were channelled through Global Rescue Network, Save the Children and the Humanity Forum.

Blood Drive – We held two events in our building, allowing other building tenants to offer their support and make donations. At least 60 bags were collected during each event.

Scholarships – More than 100 university students of the Faculty of Economics from various universities have received funds since 2004. We directly interviewed the candidates to ensure our funds went to the intended recipients.

PwC goes to campus – In May and June 2010, we had collaborative social projects with Universitas Tarumanegara (UNTAR). The project expanded our value of being responsible leader and inspired a care for our communities to UNTAR students.

Helping out children in Bali

– For the last two years, during the New Manager Conference event, team building activities were combined with community projects to give participants more exposure to social issues. Highlights from the events included renovating the kindergarten in the Guwang Area, the school in Ubud, and engaging with the students through various activities.

IFRS project with Gadjah

Mada University – We supported the university in the advancement of the IFRS adoption process in Indonesia. We contributed by sharing IFRS learning materials, related publications and acting as the facilitator of IFRS workshops and related events.

PwC Class – In May 2011, we signed off an agreement with the Faculty of Economics of the University of Indonesia. The agreement covers internship programs for students, holding a PwC Class, training sessions and seminars both for students and lecturers. To kick off, we have launched a PwC Class program, inviting our people to participate in facilitating a course to be held in the next semester. This class is expected to start in September 2011 to December 2011. PwC Class program will also be extended to other universities.

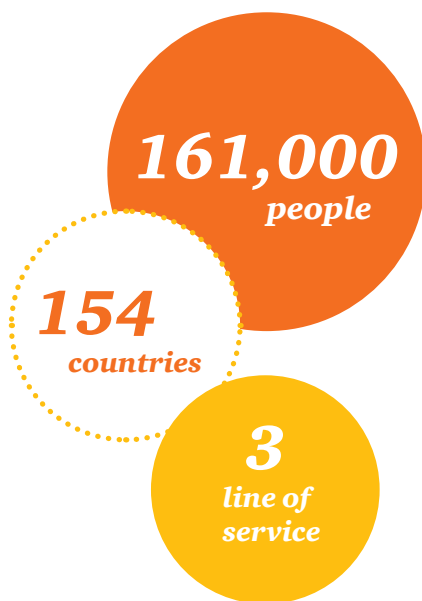


Looking ahead

We started our people volunteering program using unskilled in activities to encourage our people to go out and get connected with communities. In the future we want to focus our volunteering efforts through sharing our skills and experiences with the communities.

We will also set targets, monitoring and reporting progress in other areas than communities. By doing this, we believe we can present a balanced view of how we respond the wider challenge of sustainability and climate change.

About PwC



PwC Indonesia is part of the PwC global network of more than 161,000 people across 154 countries.

We are organised into three key Lines of Service, each staffed by highly qualified and experienced professionals in:

- Audit and assurance
- Tax
- Advisory ;

who are leaders in their industry sectors, including these:

- Consumers and Industrial Products & Services
- Financial Services
- Energy, Utilities & Mining
- Technology, Information, Communication & Entertainment
- Government

Our Indonesian firm has grown to comprise over 1,000 staff, including more than 40 partners and technical advisors, bringing together international and local knowledge, skills and experience.

2011 is a special year for us as PwC has been operating here in Indonesia for 40 years.

About the Hearts & Minds Nurturing responsible leaders publication.
This document summaries the highlights of our corporate responsibility (CR) work for two periods from 1 July 2009 to 30 June 2011.

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