PwC Indonesia Consulting
Sustainability & Climate Change
Long term thinking. Short term action.
PwC helps companies across a range of industries understand sustainability challenges and their associated business impact.

We can recognise and quantify their sustainability risks, recommend and develop appropriate value added solutions and support the implementation of proposed organisational and operational changes.
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**Who We Are**

**PwC Global Network**
Over 180,000 people in 158 countries in firms across the PwC network share their thinking, experience and solutions to develop fresh perspectives and practical advice.

**PwC Sustainability & Climate Change**
Our global team of over 500 dedicated professionals in more than 60 countries helps clients address the specific and immediate issues relating to sustainability, as well as helping with longer-term strategic thinking.

**PwC Global Consulting Network**
We help organisations to work smarter and grow faster. We consult with our clients to build effective organisations, innovate & grow, reduce costs, manage risk & regulation and leverage talent. Our aim is to support you in designing, managing and executing lasting beneficial change.

**PwC Indonesia**
With nearly 1,600 professionals in our office in Indonesia, Jakarta, we have played a role in the Indonesian success story of economic growth and social development for over 40 years.

**PwC Sustainability & Climate Change Indonesia**
We have a newly established dedicated team of sustainability specialists based in Indonesia, Jakarta, linked directly to the global sustainability network. The team comprises experts in low carbon development, sustainable land use, green growth economics, assurance & reporting, sustainable finance, and governance.

This team is supplemented by our expert teams across consulting in People and Change, Strategic Performance and Technology, Forensic and Security, and Financial Services Risk Management.

Together we work with the full range of clients in the public, private and non-profit sectors.

We build, develop and provide:
- governance
- communications
- resilience
- mitigation strategies
- trust
- reporting
- policy
- assurance
- systems
- people

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We have worked with:

Our Key Clients include:
- International development agencies
- Financial institutions
- Resource management companies
- Corporations
- Non-profit organisations

We are committed to sharing our knowledge and supporting the sustainability agenda.

We build global sustainability through partnerships.
Who We Are

Supporting your progress towards sustainability

Companies today are facing growing pressure from many angles: the need for transparency from stakeholders, social licence to operate, growing and changing risks to business models and supply chains, and increased competition for efficiency and growth opportunities.

Enlightened executives recognise that sustainability is a key element of strategic planning for the overall growth and well-being of the business in the long run. Industry leaders are integrating bold, decisive and long-range sustainability metrics into overall corporate goals.

We help companies across a range of industries to understand environmental and social challenges and their associated business impact. We can recommend and develop appropriate solutions and support the implementation of proposed organisational and operational changes.

**Over 50%** of CEOs are investing to improve living and working conditions where they operate.

– PwC’s 15th Annual Global CEO Survey

**7 out of 10** CEOs say they would take more ambitious action on issues related to the Millennium Development Goals if progress is made at Rio+20.

– Global PwC poll of CEOs on Rio+20 Conference

**38%** of the top 100 airlines now publish a corporate sustainability report.

– Building trust in the air: Is airline corporate sustainability reporting taking off?

“Simply put, PwC helps businesses understand their risks and make better decisions. Wherever there’s risk for a business, by definition there’s opportunity. And that’s what corporations are getting into now.”

Malcolm Preston, Head of PwC Global S&CC practice

**94%** of Private Equity houses surveyed say they will be increasing their focus on Responsible Investment activities.

– Responsible investment: Creating value from environmental, social and governance issues

**68%** of respondents in the CDP Global 500 are integrating climate change initiatives into their overall business strategy, up from 48% in 2010.

– Carbon Disclosure Project (CDP) 2011
How We Can Help You

In PwC’s global network, sustainability and climate change teams across the world operate within a framework based on their market demand which generally fits with the globally defined services outlined on this page. These services are delivered in collaboration with multiple territories, industry expertise, or other core capabilities within PwC firms, such as strategy or valuation, across key issues such as international development, climate change, green growth, sustainable finance and resource scarcity.

We offer solutions in these areas:

**Strategic sustainability**
Generating, assessing or aligning your sustainability strategy to make the most of your sustainable initiatives.

**Governance, risk and compliance**
Working with you to set up or realign your structure, policies, or procedures to reduce reputational risk and ensure compliance.

**Supply chain and operations**
Understanding and addressing sustainability impacts in the supply chain to improve your performance.

**Assurance and reporting**
Assisting you with non-financial information frameworks, reporting and assurance, thereby furthering efforts to influence stakeholders’ trust.

**Tax and the regulatory environment**
Assessing your exposure to environmental tax and regulation while advising on relevant incentives or subsidies to optimise your tax position.

**Fund management and programme delivery**
Providing flexible and efficient programme administration solutions, enhancing programme accountability and governance while providing increased transparency to stakeholders, thus assuring fiscal responsibility.

**Policy and economics**
Interpreting the impact of policy on your business and working with you to quantify your sustainability costs and benefits to better inform your decisions.

To serve leading organisations, we have developed deep and meaningful knowledge in each of these areas. By investing in our people, our industry relationships, and our commitment to thought leadership, we have developed a specialty competence that allows us to lead market innovation and quickly adapt to changing market trends.
**Sustainability and Business**

We help clients embed sustainability in their strategies and throughout their organisations, while making the most of the opportunities for innovation and growth created by a world economy that is becoming greener.

Economically rational benefits for our clients include:
- protecting their licence to operate
- reducing costs and improving design
- attracting and retaining talent through an attractive company ethos
- innovating through new products, services or markets.

PwC’s sustainability network advises clients on setting strategy, advising on policy, risk management, operational change, and monitoring, reporting and assuring their progress – all through a sustainability lens.

**Leadership through innovation**

Companies are increasingly seeking to embed sustainability in an innovative way – linking remuneration to sustainability targets, publishing environmental profit and loss statements, or integrating financial and non-financial reporting.

**The journey towards sustainability maturity**

From compliance to value

- **Compliance:**
  - Operational risk
  - Regulatory compliance
  - Reputational risk
  - Licence to operate

- **Operational effectiveness:**
  - Reduce direct impact
  - Organisational savings
  - “Eco-efficiency”

- **Value creation:**
  - Relationships
  - Assets
  - Employees

- **Leadership:**
  - Extending positive impact
  - Product/service operating model innovation
  - Market leading

- **Value erosion:**
  - Operational risk
  - Regulatory compliance
  - Reputational risk
  - Licence to operate

**Increasing maturity of sustainability approach**

**Risk management**

**Managing for value**

**Strategic advantage**
**Sustainability and Business**

In a company’s sustainability journey, a structured approach is required to implement a robust and effective sustainability management programme. This can be achieved by developing a strong management framework.

PwC’s *Sustainability Management Framework* links corporate strategy to action that delivers real change. We leverage our core consulting skills to embed good sustainability management practices into your organisation – from policies and procedures, job description and organisational structure, to systems infrastructure and financial accounting.

We bring practical viewpoints from practitioners with a mix of industry and consulting experience.

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Our global methodology for consulting engagements, *Transform*, enables team members from multiple regions to “talk the same language”. PwC’s Transform methodology includes a wide range of templates which comply with and support the consulting process. These templates have been developed and refined over hundreds of transformation and implementation projects and represent a rich source of information and support for our practitioners.
Sustainability and International Development

Globally, PwC has worked with development agencies and partners for over 50 years, and we are currently engaged by bilateral and multilateral funding agencies in over sixty countries.

Through PwC’s local firms, our Global S&CC Network and our International Development Assistance (IDA) Network, we have deep and broad networks at leadership and operational levels across bilateral donors in Europe, North America and Asia, across multi-lateral agencies (incl. United Nations agencies and international financial institutions) and across regional institutions (e.g. ADB, ASEAN, APEC, SAARC in Asia) and private foundations in the climate and development space. We bring an unparalleled international donor network that can add value to the client locally, and offer insights into strategic and funding priorities and plans, and key operational processes (including impact frameworks) of our donor clients.

We regularly work with governments, businesses and civil society organisations across developed and developing economies and are increasingly being asked to advise on Green Growth challenges – from developing national and regional strategies and implementing plans, to managing large and complex donor programmes and funds focused on delivering Green Growth results, to developing a pipeline of public, private or public-private Green Growth transactions. The common challenge in each instance is to enable the structural transformation, economic and social benefits associated with Green Growth while minimising costs and risks.

PwC is often selected for some of the most high profile and challenging fund set-ups and management engagements. For the British Department for International Development’s (DFID) Climate Development Knowledge Network (CDKN), PwC is currently disbursing over $100million to organisations in more than twenty countries, following strict expenditure and reporting obligations.

In the wider development policy space, for DFID we run the Business Innovation Facility (BIF), which is an evolved challenge fund model to encourage inclusive private sector practices including around low carbon development; the CoST Programme, which is focused on promoting transparency and accountability in public sector infrastructure/construction projects in developing countries; and the Girls Education Challenge Fund (GEC), which supports education transformations across Africa and Asia.

Governments driving change

Governments’ commitment to sustainable business was seen in the Rio+20 outcomes: ‘We acknowledge the important role of the private sector in moving towards sustainable development. We strongly encourage business and industry to show leadership in advancing a green economy in the context of sustainable development and poverty eradication.’
A Vision for Green Growth

A strategic and comprehensive economic development plan—whether regional, national, municipal or organisational—should span economic, social and environmental challenges. Until recently, however, the focus for most countries has been skewed towards economic development with too little emphasis on environmental challenges.

The green growth agenda aims for a number of strategic outcomes alongside economic development. These could include responding to climate change (both emissions reduction and climate resilience), loss of natural capital, resource scarcity, and addressing social or development objectives such as poverty reduction, as shown in the figure below.
Our Experience

- Strategic sustainability
- Governance, risk, and compliance
- Supply chain and operations
- Assurance and reporting
- Tax and the regulatory environment
As sustainability moves up the boardroom agenda, it is increasingly being integrated into corporate level strategic planning. Management now need to balance increased regulation, protecting the brand and ensuring stable supply chains with seeking opportunity for enhanced performance and using the sustainability agenda for strategic advantage.

Developing and integrating a detailed sustainability vision into your long-term strategic plan in a way that creates lasting value while also building public trust is a common challenge for all types of organisations.

**How PwC adds value:**
- Identify your issues and goals to determine where the pressures are likely to be and raise awareness of what needs to happen to make your business more sustainable
- Prioritise these issues from both a sustainability and commercial point of view. This will help you recognise and better manage risk, improve efficiency, revenue potential, growth and other opportunities
- Map the short and long-term ambitions for your sustainability vision, assess the risks, and address any gaps in delivery
- Support the alignment and integration of your sustainability vision into your overall corporate strategy
- Develop and deliver a robust sustainability programme that includes prioritised initiatives, enablers, milestones, key performance indicators, and measurable targets.

**Impact to the client:**
- Protect company’s reputation
- Drive employee engagement
- Satisfy customers
- Attract and retain talent
- Demonstrate compliance and lead to market differentiation
- Long term growth and profitability.

**Examples of work done:**
- Business case development
- Development of transformation, including options and roadmap
- An initial assessment of palm oil business strategy in biofuel market
- Development of sustainability intent, commitment, pillars, and themes
- Embedding sustainability aspects in investment policy, business plan guidelines and contractor management policy.

PwC’s Strategic Sustainability Services Framework (3SF) provides an overview of the process for supporting your development of a strategic sustainability programme. It is organised into 5 main stages as shown below.
Governance, Risk, and Compliance

As businesses face more restrictions on the materials they use, there is a growing need to establish governance around sustainability to manage risk and ensure compliance. National and international companies trying to meet these standards or regulations can find themselves in a minefield as they navigate the areas of governance, risk, and compliance.

How PwC adds value:
- Develop codes of conduct, policies and procedures that meet your stakeholders’ expectations and ensure your organisation’s values are respected and reinforced
- Win employee buy-in to your sustainability strategy with effective frameworks and approaches that outline risks and opportunities
- Manage risk and regulatory compliance so you will understand its impact on your company’s strategy and operations
- Benchmark to global best practice.

Impact to the client:
- Improved transparency
- Clear and coherent communications and optimal employee engagement
- More effective and efficient testing strategies focused upon key drivers of sustainability risk with organisations
- More robust sustainability risk assessment and mitigation practices.

Examples of work done:
- Development of policies for environmental sustainability themes: water management, biodiversity management, land management, energy management and climate change, and pollution management
- Development of governance dashboard to assess level of business unit’s sustainability maturity
- Key performance indicator development framework
- Stakeholder mapping methodology
- Development of a group-wide champions network
- Readiness assessment.

Charting Your Risk Management
We can help you manage your risks better, be it before or after a crisis situation has occurred, including providing best practices in corporate governance, risk management and internal controls.
Companies are looking at the impact their operations have on the environment as well as the positive or negative impact on the communities in which they operate. Understanding these impacts can drive improvements to corporate strategy, day to day operations and ultimately financial performance. What steps can you take to ensure your supply chain is responsible while achieving financial and sustainability metrics at the same time?

**How PwC adds value:**
- Assess the risks associated with your supply chain and the steps necessary to protect your brand
- Consider best practice from across a range of industry sectors
- Define the characteristics you require from your suppliers in order to make sure they are sustainable
- Monitor and manage environmental, social and governance risks associated with your supply chain
- Measure the financial cost or potential impact of your carbon, water and energy usage on the environment and local communities
- Redesign global supply chains to be cost-efficient, minimising their impact on the environment and delivering products and services on time.

**Impact to the client:**
- Protect company's reputation
- Help to manage your risk associated with supply chain partners
- Help to understand and address sustainability impacts in the supply chain
- Help to improve performance.

**Examples of work done:**
- Sustainable supply chain assessment
- Sustainability risk assessment methodology.

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**Sustainability-related supply chain incidents**
A PwC’s 2010 study documents case studies of sustainability-related supply chain incidents affecting six companies between 1999 and 2008. The incidents resulted in direct costs per incident of between $11 million and $250 million, and/or indirect costs associated with declines in stock value of 5% to 18%.

Assurance and Reporting

More than ever, stakeholders want to know about an organisation’s sustainability performance and how it is accurately reporting on its corporate activities to support climate change, resource scarcity and socially responsible investing. Leaders understand the parallel importance of setting bold sustainability metrics and making sure that open and timely reporting accurately reflects progress made. Assurance from a trusted adviser further earns – and keeps – stakeholders’ trust.

How PwC adds value:
- Identify and assess the relevant requirements of all your stakeholders
- Undertake internal audits to gauge the effectiveness of your internal controls and measures
- Provide independent assurance of the data in your sustainability report as well as assurance for regulatory performance purposes, such as European Union Emissions Trading System (EU ETS), Renewable Transport Fuel Obligation (RTFO) and greenhouse gases (GHG) emissions
- Support your submissions to sustainability indices by helping you to interpret the questionnaire before submission, and also identify any gaps to improve your position in the rankings
- Review your current reporting against best practices, identify operational improvements and move it beyond compliance to include forward-looking analysis and strategy
- Verify and certify your data against social and environmental benchmarks in line with market standards like the Global Reporting Initiative (GRI), Greenhouse Gases Protocol, AA1000
- Align measurable sustainability objectives with your corporate strategy based on financial, operational and regulatory performance measures
- Assess how the life-cycle of your products and services might impact your sustainability goals.

Impact to the client:
- Increase stakeholder confidence in sustainability
- Improvement to client processes
- Stronger profile across key sustainability indices.

Examples of work done:
- Sustainability assurance
- Environmental profit and loss
- GRI readiness assessment
- CDP readiness assessment.

Enhancing performance in sustainability indices

A PwC’s client wanted to increase stakeholder confidence in its sustainability through sustainability benchmarks like the Dow Jones Sustainability Index, the FTSE4GOOD, and the Climate Disclosure Leadership Index. We assessed their data gathering, reporting process, and monitoring protocol at various touch points from the management to group level. Our work brought about improvements to their processes and a stronger profile across key sustainability indices.
Environmental taxes and regulations are constantly increasing in number and scope and evolving as more countries introduce them. It is important that you clearly understand their impact on your existing and planned business operations so that you can make informed strategic decisions and take advantage of emerging opportunities to reduce costs.

**How PwC adds value:**
- Assess your current global exposure to environmental taxes and regulations, help you to manage risks and optimise your tax position from a sustainability perspective, and proactively engage with regional policy makers
- Understand your sustainability compliance obligations and take advantage of subsidies, grants, taxes and other incentives; develop strategies that optimise the impacts of carbon, climate change and resource scarcity on your tax position; and prepare for future policy developments
- Understand your tax department’s role in supporting your sustainability strategy and make sure your sustainability investments are evaluated on an after-tax basis, with available incentives factored into your financial returns
- Enhance your corporate reputation directly through sustainability-focused initiatives and indirectly through your Total Tax Contribution
- Advise on how to proactively engage with policymakers on related taxes and incentives.

**Impact to the client:**
- Improved capability to manage associated risks
- Ability to take advantage of available incentives.

**Examples of work done:**
- Analysis of the environmental taxes
- Design and develop an in-house environmental tax management structure.

**Getting the most out of taxes and incentives**
PwC carried out an analysis of the environmental taxes paid by the company across Europe, as well as the incentives available to them. We advised the client on how to proactively engage with policymakers on related taxes and incentives, and also helped to design and develop an in-house environmental tax management structure. With the overview of total environmental taxes paid, the client was able to manage associated risks and take advantage of available incentives.
Total Impact Assessment

Businesses, governments and wider society have been grappling with the challenge of how to develop a more relevant and inclusive basis for measuring growth and value creation, and hence improve decision making – both at an operational and strategic level. While progress has been made, the search for a viable and robust approach continues and a key focus for PwC has been working with these organisations and their stakeholders to develop the right solutions.

Our collaborations to date have led to the development of what we believe is a more comprehensive, balanced and hence relevant evaluation of business impacts on society, the economy and the environment – Total Impact Measurement and Management (TIMM). This new language of decision making seeks to provide the business equivalent of new ways to evaluate national output and well-being. It builds on the United Nations Human Development Index (HDI) and ties in with the work of the United Nations High-Level Panel (UN HLP) in drawing up a new and measurable global framework for Post-2015 development, which includes environmental sustainability and inclusive economic and social development.

TIMM provides a balanced scorecard of a business’ social, economic, environmental and tax contribution impact.

Impact can be...
• On the environment, the economy/businesses, people
• On your own business or organisation
• Positive and negative
• Intended and unintended
• Direct and indirect
• Past and future – also short, medium and/or long term
• Micro and macro
• Expressed in qualitative, quantitative and/or in monetary terms
• Generated by the core business, philanthropic initiatives or advocacy
Sustainable Finance

Sustainability has started to become an influential factor in the Finance Industry. Global trends like climate change, social impact awareness and a changing attitude towards corporate responsibility are new drivers for an industry that is more than ever under scrutiny. Public expectations are high, and this does not only relate to a more sustainable management of financial risks. The financial sector is expected to play a role to support development goals and to facilitate the transition to a green and sustainable economy.

Our experience with emerging trends in the financial sector landscape and working with over 40 commercial and development banks around the globe have informed the design of a customisable framework of tools and resources. These tools allow finance professionals to identify and manage E&S risks at the transaction or client level according to sector, country and financial product. The tools can also be applied to a wide range of lending activities beyond what is currently covered by the Equator Principles.

The Sustainable Finance Toolkit is an industry-leading web-based application to support the customised integration of E&S risk management into your existing processes and systems. The Toolkit is designed to capture transaction impacts/risks, recommend outcomes for E&S risk management approaches, and define monitoring and reporting requirements.

**Key Benefits of the Sustainable Finance Toolkit to our clients:**
Builds capacity across a bank’s operations by decentralising E&S risk assessment out to bank staff and providing guidance / informational tools;
Reduces time in managing and monitoring E&S risk exposures, and enables consistency in assessment and decision-making;
Can be applied comprehensively to a bank’s total portfolio, or can target sector-specific areas with the potential for higher risk;
Data-saving functionality allows administrator to review completed assessments and aggregate data to report to the board, development finance institutions (DFIs), and other stakeholders;
Customisation is carried out to the bank’s needs and business activities (including geography, sectors, financial product types).

Sample PDF transaction report  
Sample portfolio report
Sustainability Health Check

Sustainability health check is an analytical tool to help determine the extent to which sustainability has already become embedded into the client’s core functions and activities.

**Benefits of sustainability health check to our clients:**
- It will provide client’s management with a high level benchmarking against its peers, while identifying key areas of focus for improvement.
- It can help identify where the client can gain most value from sustainability.
- This can facilitate internal support for the sustainability strategy and identify areas to focus sustainability strategy and investment.
- It can help identify what has worked well to date (good practice areas) and what has not.
- It can help to identify quick wins and long-term opportunities.
Examples of Recent Engagements

Establishment of a Financing Mechanism for Sustainable Infrastructure & Low Carbon Development under the Indonesia Investment Agency

Issue
In the Low-Carbon Strategy (LCS) Project (a collaboration between the MoF and DFID), the Indonesia Investment Agency (IIA) must build its capacity and develop an international reputation as a credible manager of international third party climate (and other) funds. As part of this, IIA must be able to scale its existing project portfolio, implement robust yet flexible financing mechanisms, source funds from a diverse range of institutional and private sources and demonstrate a strategic capability to manage investments, and their associated risks, for the long term.

What We Did
PwC were engaged to assist IIA in setting up robust and effective mechanisms to attract and manage donor (and other) funds and scale investment in low carbon and green infrastructure projects. This included key areas such as strategic investment partnerships, capital investment, risk mitigation and management of third party funds. In achieving the intended outcome, we conducted interviews with selected personnel, an audit of current conditions (for HR, IT, relationship with donors), a desktop study for benchmarking to best practice, and interviews with selected donors.

Client Benefits
IIA has been provided with a clear understanding of:
- current status and flows of funding within Indonesia
- core functions/delivery requirements expected of PIP by investment partners
- capacity enhancement required to undertake such tasks
- changes to processes/mechanisms required to perform them
- a strategy to prioritise both investments and future capacity building.

Capacity Building Programme for Indonesian Investment Agency on Low Carbon Financing

Issue
As a follow up to the first phase of the LCS project, IIA is striving to enrich its knowledge of sustainability and climate change, renewable energy, project finance, sustainable finance and global fund management.

What We Did
PwC delivered three in-house courses and accommodated a benchmarking visit to the UK and a site visit to the Thailand Revolving Fund. The programme was based on the previous project where PwC was appointed by DFID to help IIA in setting up robust and effective mechanisms to attract and manage donor (and other) funds and scale investment in low carbon and green infrastructure projects. The study indicated that IIA shall also build internal capacity through comparative field studies or internship programmes. In-house training and coaching may also be used to strengthen and diversify IIA’s capacity and expertise.

Client Benefits
Improved competence of key personnel as well as a final report that provides physical guidelines to support IIA in continuing their sustainable/eco-friendly infrastructure development.
Examples of Recent Engagements

Monitoring of Climate Change Programme Loan

Issue
Japan International Cooperation Agency (JICA), in partnership with other international development agencies, has provided a loan to the Government of Indonesia (GoI) for climate change activities amongst multiple ministries. JICA, as the representatives of the Government of Japan, administers the Climate Change Program Loan (CCPL) as a part of their Overseas Development Aid (ODA) and engaged PwC as a consultant together with another appointed consultant to monitor the progress of climate change related activities in several ministries.

What We Did
PwC’s main responsibilities for this assignment were:

- To monitor and evaluate: assist JICA Indonesia to evaluate the progress of Policy Actions in 2010, including gathering and archiving supporting documents
- Ad-hoc advisory services: throughout the engagement, while conducting the monitoring activities, to highlight issues and provide recommendations for process related issues. For this engagement, we have not performed an evaluation of the technical aspects of the policy actions and outcome.

Client Benefits
A policy matrix was created, outlining the activities to be implemented by the various line ministries, and JICA was entrusted with monitoring and evaluating the progress of this between 2010 -2012. Working closely with JICA, PwC reviewed the line ministry action plans in relation to the policy matrix to improve the efficiency and effectiveness of the project.

Sustainability Health Check for a Major Indonesian Bank

Issue
A major Indonesian bank engaged us to help measure its sustainability programme against PwC’s methodology and global best practice.

What We Did
We reviewed the company’s sustainability programme using the PwC Methodology on Business Strategy, which includes sustainable products and services, improved efficiency and impact reduction and sustainability risks and compliance; on Governance and Management, which includes sustainability governance, organisation and policies, sustainable stakeholder relationships and collaborations and integrated management of sustainability issues; and on Business Platform, which includes sustainability in internal processes, controls and training, sustainability within the organisational culture and values, and sustainability accounting and controlling systems.

We also performed benchmarking to Indonesian banks and also global best practice, and proceeded to provide high level recommendations.

Client Benefits
The client received advice on determining which sustainability areas to focus its future efforts and financial resources on.
Examples of Recent Engagements

**Sustainability Strategy for an Indonesian Conglomerate**

**Issue**
PwC is currently engaged to help an Indonesian national corporation with diverse business units in setting up its sustainability strategy, focusing on governance, risk and compliance.

**What We Did**
- An initial assessment of palm oil business strategy in biofuel market
- Development of sustainability intent, commitment, pillars, and themes
- Embedding sustainability aspects in new investment policy, business plan guidelines, and contractor management policy
- Assessment of governance, risk, and compliance
- Development of policies for environmental sustainability themes: water management, biodiversity management, land management, energy management and climate change, and pollution management
- Development of governance dashboard to assess level of each business unit’s sustainability maturity
- Key performance indicators (KPIs) development framework
- Stakeholder mapping methodology
- Development of a group-wide champions network.

**Client Benefits**
Over the past year, PwC has assisted in developing a stronger governance framework to further help the client in setting up and driving the tone and actions of their sustainability strategy.

**Assistance with Carbon Disclosure Project preparation and evaluation of PT Ecogreen Oleochemicals**

**Issue**
Ecogreen was looking to perform an internal evaluation of its Carbon Disclosure Project (CDP) readiness. Through this engagement they wanted to understand the potential implications of participating in the CDP Suppliers Index, the work required to populate the CDP questionnaire, and the implications of the pilot results for the business.

**What We Did**
We worked with the client to:
- help them better understand the CDP process and data requirements
- develop a shadow CDP report for the Batam site whilst developing internal data collection capacity
- analyse the results and develop an appropriate business strategy for CDP
- develop a cost-effective carbon reduction strategy.

**Client Benefits**
PwC helped Ecogreen develop their CDP strategy and functions and improve their capacity in implementing CDP reporting, so they can continue and upscale the process to cover the whole company.
Examples of Recent Engagements

**UK Climate Change Unit’s Support to Spatial Planning and Low Carbon Programme in Papua**

**Issue**
This upcoming programme will support the implementation of Papua’s spatial plan and help demonstrate that low carbon development and sustainable economic growth is viable in the province, by developing a green investment facility for Papua. The programme also aims to build the capability of the Provincial Government and local institutions to enable sustainable development in the province and to protect Papua’s extensive natural capital for future generations.

**What We Do**
- Provide technical advice and consulting support for spatial planning
- Provide capacity building and governance, organisational change to the regional development planning agency (Bappeda) and other government agencies
- Support Bappeda and UKCCU on the strategy, structuring, and set up of a Green Investment Fund
- Set up and implement a Small and Medium Enterprises (SME) Development Unit and an SME Investment Facility

**Client Benefits**
All roles assumed by PwC in this project are designed to provide a level of assistance as is appropriate to enable Bappeda to independently manage these activities in the long term, in particular regarding the fund management and investment.

**Indonesia Country Programme: Green Growth Plan**

**Issue**
Indonesia has a thriving economy with a relatively consistent growth rate of 7% per annum. PwC’s analysis projects that Indonesia may move from the 16th largest economy in the world to the 11th by the year 2030. However, that growth is not assured; Indonesia faces intense pressure to maintain growth year on year. The key question is whether Indonesia transforms the ‘growth at any cost’ model of the past into one that is more sustainable, with a focus on Indonesia’s natural and social well-being going forward.

**What We Do**
- ‘Greening’ of the Masterplan for the Acceleration and Expansion of Economic Development of Indonesia (MP3EI): identifying and supporting projects and policies that are supportive to green growth
- Designing and implementing an accelerated Reducing Emissions from Deforestation and Forest Degradation (REDD+) funding disbursement mechanism
- Supporting the provinces of Central and East Kalimantan by providing capacity building to the staff of the regional governments on the concepts of Green Growth.

**Client Benefits**
PwC will provide recommendations to drive green growth against the MP3EI baseline, manage the funding and support of selected REDD+ projects, and provide assessment of actions/policies to achieve targets for Central and East Kalimantan and identification of opportunities in Papua.
Conferences and Events

As knowledgeable professionals, our advice is often solicited by sustainability and climate change practitioners. One of our objectives in serving the sustainability and climate change industry has always been to share our detailed knowledge of the issues. We frequently go on the road to discuss current industry hot topics and participate in numerous conferences and industry events as sponsors and/or speakers.

Recent examples of conference presentations given by PwC team members include:

**Sustainable Finance Capacity Building** for Indonesia Investment Unit, Ministry of Finance, 10 August 2012

**Palm Oil Sustainability Training** for PwC, November 2012 and 2013

Inputs from PwC representatives for **Roundtable for Sustainable Palm Oil meeting**, November 2011

**Indonesia's Economic development: Contributing to a sustainable growth pattern** for Wilton Park conference, 11 - 13 September 2012

**Delivering Low Carbon High Growth Economy** for the launch of Alliance of Low-carbon Businesses in Indonesia, 16 February 2012

**Asia School of Mines** for PwC, 29 - 30 November 2012


**Indonesia's Economic development: Contributing to a sustainable growth pattern** for Wilton Park conference, 11 - 13 September 2012

**The Global and Asia Trends** on PwC Global Conference in United Nations Conference on Sustainable Development (Rio +20), June 2012

**Taking Rio+20 forward** for Indonesia Business Council for Sustainable Development, August 2012

Recent examples of roundtables given by PwC team members include:

**PwC Sustainable Finance Roundtable**, Nov 2012
**Key Personnel**

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**Dr. Rob Daniel - Technical Advisor**

As the former head of the UK Climate Change and Economy Unit in Indonesia, Rob is an expert stakeholder manager bringing extensive experience of working with the Indonesian government and private sector to help the country transition to a low carbon pathway. During this time Rob has actively supported the Indonesian government during its climate change negotiation meetings and has also led a number of core influencing campaigns on the importance of climate change as a prosperity and security issue. Rob has a track record for driving collaboration and delivering meaningful change within the climate change and cleantech arena and has a comprehensive understanding of the risks and opportunities afforded by climate change and cleantech in the developing world. Rob has extensive knowledge and experience within the low carbon energy sector, having worked closely with energy generation businesses as well as supporting technology development activities in fuel cells, cellulosic bio fuels and electric vehicles.

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**Moray McLeish - Technical Advisor**

Moray is a Sustainable Land Use, Climate Change and Supply Chain Specialist with fifteen years experience in the private, public and NGO sectors. With a background in Land Economics and a Masters degree in Environment and Development he has gained experience in Latin America, Africa and South East Asia. He has a proven track record in catalysing the private sector’s role in achieving sustainability. He was centrally involved in the creating and testing of Indonesia’s initial Timber Legality Assurance system, and most recently was working to define and map ‘low carbon land’ for producing sustainable palm oil.
Prabandari Murti – Senior Manager

Prabandari (Ririn) has over ten years of experience with financial statements Assurance services. Ririn also designed and delivered the Indonesian Firm’s Internal Corporate Responsibility programme. She now specialises in the development and delivery of sustainability strategies, including stakeholder engagement, policy development, supply chain management and technical reporting. Ririn brings particular expertise in governance and reporting, certification and sustainability assurance. As a financial statement auditor, her client portfolio profiles include multinational groups such as Sarbanes Oxley (404) and Japan SOX assignments. She has extensive knowledge of accounting and internal control matters and experience working with PwC’s network firms overseas.

Wietske Berenschot - Manager

Wietske is an all-round financial expert and project management consultant. She has over 8 years of working experience of which more than five years for PwC as a financial and project management consultant. She was involved in a range of public procurement projects in which she determined the possibilities and financial benefits of Public Private Partnerships (PPP). She advises government parties on sourcing decisions, innovative contracting, PPP-structures, procurement strategies and guides the procurement process. She helps government parties building the most effective contractual structures between public and private parties and prepares the project teams for the change challenges ahead by informing and educating the people involved. She now focuses on the project management of capital projects, specifically in the field of international development and sustainability. Her role differs from overall project management of large projects to financial consultant to parts of a project, such as contracting, procurement and evaluation.

Fumi Harahap - Manager

Fumi has extensive experience in project management in various energy industries across technologies of hydroelectric power, energy efficiency, biomass, and biogas. Her involvement in project management comprises financial modelling, risk management, environmental evaluation, and technical review. She brings particular expertise in the Kyoto Protocol framework, evaluation of decentralised energy potential, carbon credit modelling, air pollution dispersion modelling in the oil and gas industry, ecological footprint, and environmental and social impact assessment, and has contributed to several projects related to sustainability and climate change at PwC Indonesia Advisory.
**Key Personnel**

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**Charles Vincent – Technical Advisor**

Charles is a Partner in PwC Indonesia and responsible for the PwC Indonesia Consultancy businesses. Charles leads critical and major transformational projects on Strategy & Performance Improvement, Value & Risk Management and Operational & IT Excellence. Charles has been deeply involved with Large Scale & Business Critical Programmes, Public-Private Partnerships and Commercial Joint Ventures. He has deep expertise with transformations of national and international state-owned enterprises to commercially thinking and acting organisations in terms of strategy, performance, reporting and systems.

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**Anthony J. Anderson - Technical Advisor**

Anthony Anderson is a Partner in the Tax Services division of PwC Indonesia and works predominantly in our Energy, Utilities and Mining Practice. He has more than 17 years experience in Australia, Vietnam and Indonesia in providing tax services to multinational and domestic clients in the context of greenfields projects, transactions/due diligence and established businesses. As such he has particular expertise in fiscal terms/taxation of the energy sector, and inbound/cross border investment issues. Anthony also advises clients on power generation, particularly using RE feedstocks. He has worked with investors in hydro electric, geothermal, biogas and biomass projects.
Minerals and metals scarcity in manufacturing: The ticking time bomb

December 2011

The supply of many minerals and metals is struggling to keep up with rapid increases in consumption. Explore how this will impact seven key manufacturing industries around the world.

Resource scarcity

Sustainable packaging: Myth or reality?

June 2012

While public views on the usefulness of packaging are difficult to shift, the industry has made significant steps in creating improved packaging solutions across the packaged goods value chain.

Minerals and metals scarcity in manufacturing: The ticking time bomb

December 2011

The supply of many minerals and metals is struggling to keep up with rapid increases in consumption. Explore how this will impact seven key manufacturing industries around the world.

The shape of power to come

April 2012

This paper reviews investment, affordability and security in an energy hungry world. It is based on research carried out with senior executives from 72 power and utility companies in 43 countries.

Water: Challenges, drivers and solutions

March 2012

A PwC report on the challenges facing the water industry in light of decreasing water quality and supply – covering key players, economics and future solutions.

Low carbon economy

Carbon Disclosure Project

2011

PwC continues to act as the global advisor to the Carbon Disclosure Project (CDP) which provides investors with a unique analysis of how the world’s largest companies are responding to climate change.

Counting the cost of carbon,
PwC Low Carbon Economy Index 2011

November 2011

This report assesses the G20 countries’ progress in cutting their carbon intensity levels. The latest index shows that the world needs to reduce its carbon intensity by at least 4.8% every year to 2050, if it hopes to limit climate change to 2°C of warming.

Responding to climate change:
Challenges and solutions on the road ahead

2010

This publication shows how PwC can assist in the areas of strategy, risk, regulation and reporting to optimise operations and deliver leading practice to help companies deliver on their climate change ambitions.

The U.S.– China Cleantech Connection:
Shaping a new commercial diplomacy

January 2011

This report explores how U.S. companies are finding cleantech opportunities in China through alliances—as well as capital and cleantech technology transfer investments.
Thought Leadership

Regulation and governance

Global green policy insights
Bi-monthly
Provides up-to-date news alerts on green tax and regulation developments around the world, and offers expert insights on what these developments mean for business.

Appetite for change – Global business perspectives on tax and regulation for a low carbon economy
March 2010
The results of almost 700 interviews in 15 countries where executives from international businesses share their perspectives on issues such as the impact of climate change.

Tax transparency and country-by-country reporting
August 2012
In the wake of the global economic downturn, the need for economic and political stability has intensified the calls for greater transparency. This publication gives an overview and comparison of transparency initiatives.

Factoring sustainability into IPO planning
August 2012
Mounting interest in companies’ nonfinancial disclosures, such as sustainability and corporate responsibility, leads to a simple question: Is your company prepared?

The China Greentech Report 2012
May 2012
PwC has been working with the China Greentech Initiative (CGTI) since 2009. This report looks at how clean technologies impact governments, organisations, and businesses across every sector of the economy.

Sustainability pulse poll: CEO and public opinions on Rio+20 issues?
June 2012
Our CEO poll and public opinion survey on the major issues to be debated by world leaders at the Rio+20 Conference in Brazil. See how the public and CEO opinions compared.

Carbon accounting in the value chain
October 2011
This PwC study examines the GHG Protocol, which launched new standards that allow companies to measure and manage more carbon emissions – the Corporate Value Chain (Scope 3) and Product Life Cycle standards.

Responsible investment: Creating value from environmental, social and governance issues
March 2012
ESG issues in the private equity industry are increasingly in the spotlight. But many PE houses are struggling with how to demonstrate the value of their ESG activity.
Awards

For the second year in succession, our global sustainability and climate change practice was named Consultancy of the Year at the 2012 BusinessGreen Leaders Awards, recognising our commitment to sustainability through the services we offer to our clients.

For our work with Puma, PwC won the Value and Excellence in Consulting Award in Corporate Responsibility from the Association of Management Consulting Firms (AMCF). Using a range of pioneering techniques, PwC partnered with PUMA to design, develop, and deploy a new methodology that provided the world’s first environmental profit and loss account. This resulted in PUMA having insight into the environmental consequences of commercial decisions and of its own environmental impact.

PwC was cited in the Global Most Admired Knowledge Enterprise (MAKE) 2012 study for creating a knowledge-driven organisational culture. PwC is an 11-time Global MAKE Winner; our continuing position in the ranking is testament to our passion for sharing and collaborating that flows right across our network and enables us to deliver value to our clients.

PwC received a 100% rating with the Human Rights Campaign Foundation’s Corporate Equality Index in 2006-2013.

PwC was named one of Fortune’s 100 Best Companies to Work For in 2005-2013.

According to the BrandFinance Global500 2013, PwC is the fourth most powerful brand in the world.
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