



ESG Value Creation Journey

PwC Indonesia Statement of Capabilities
November 2022



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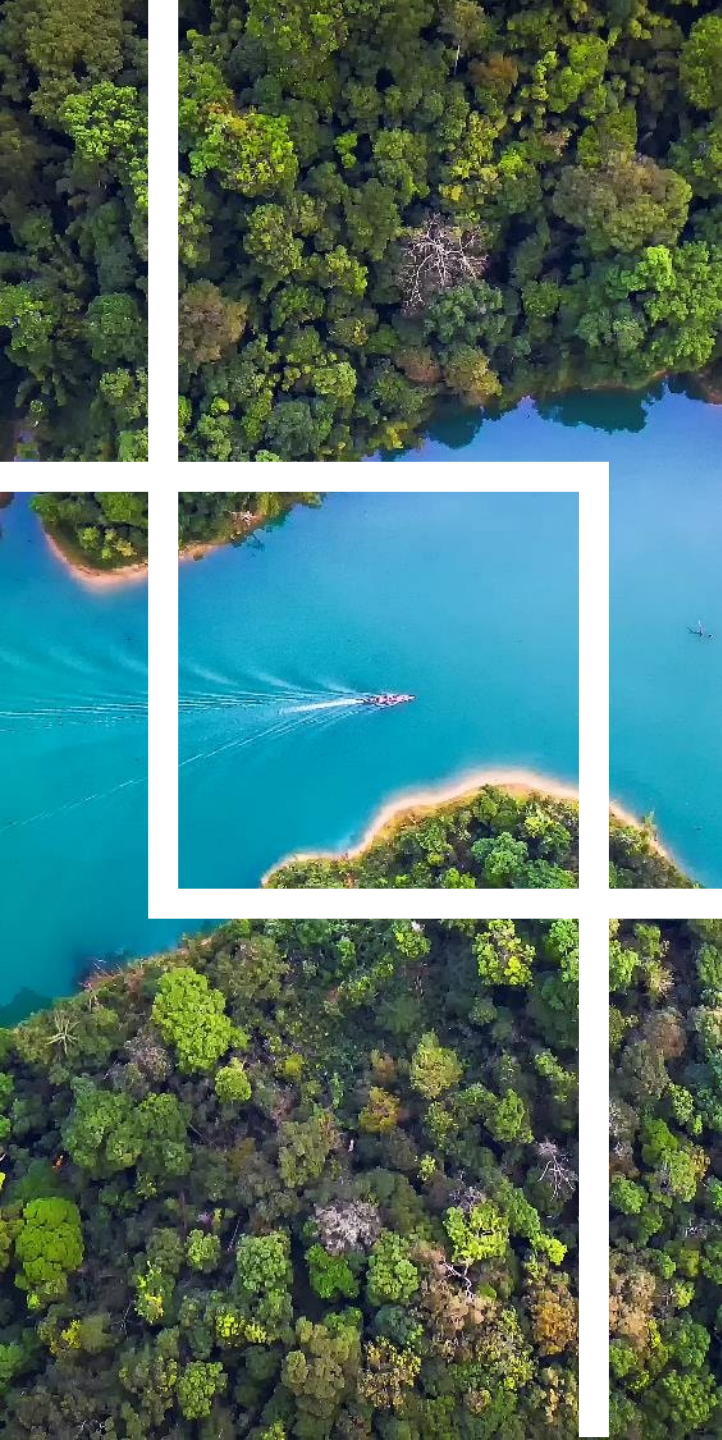


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Introduction

This document has been prepared for general guidance covering PwC Indonesia's ESG capability and services. Our deep expertise and experience has been developed through years of providing sustainability related services to our clients in Indonesia and across Southeast Asia.

As a result of a rapidly increasing global focus on broad ESG sustainability issues from government, investors, the private sector and the public over the past few years, a trend exacerbated by the COVID-19 pandemic, we have witnessed a drastic shift towards better understanding climate change, sustainability and related ESG issues, as companies and organisations look to identify and respond to their ESG risks and opportunities. ESG management & performance can increase or decrease the top & bottom line as well as a company's reputation & social licence to operate. To respond to this growing market demand, we have prepared this statement of capability to help you better understand the ESG value creation journey and how PwC as a trusted advisor can assist and guide you with your needs and requests.

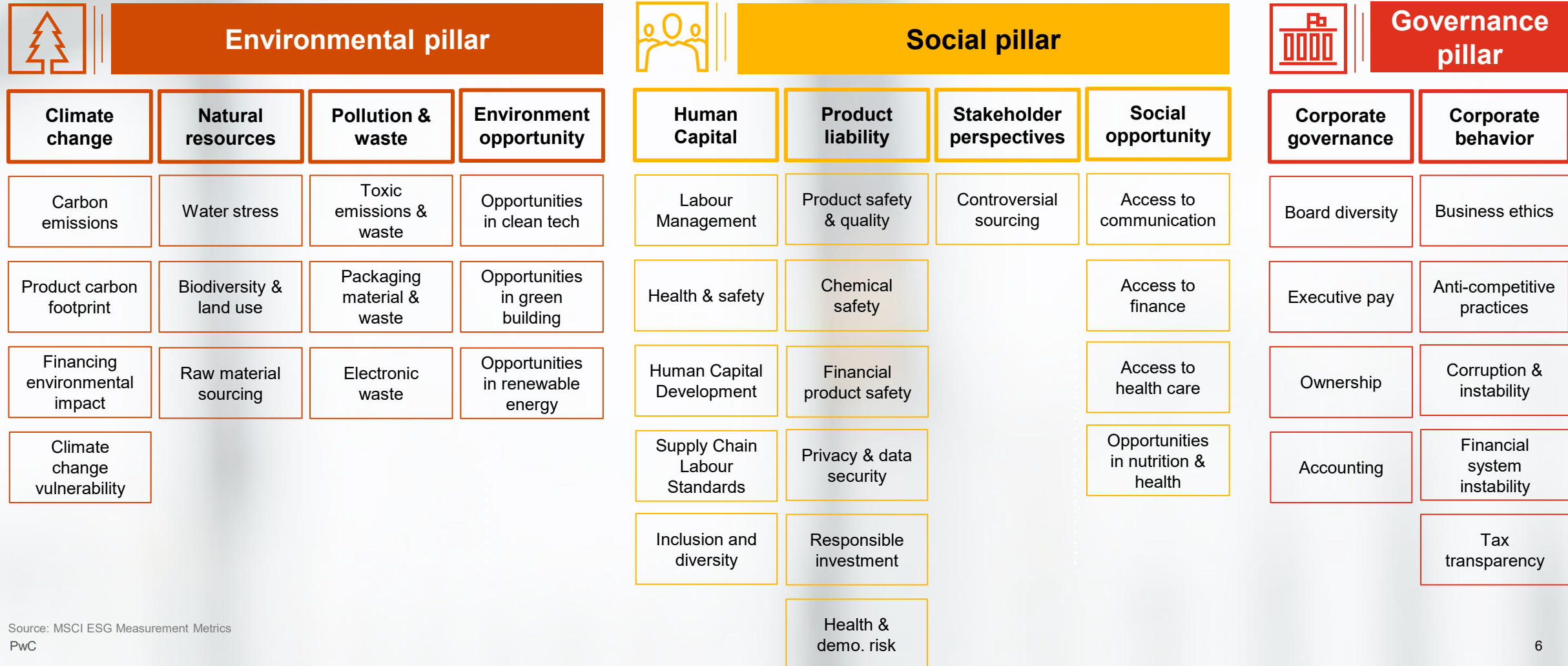
This document focuses on ESG integration into your company or organisation with some elaboration on ESG reporting and rating standards. In section three of this document, we present a summary of additional ESG related services which we can offer you.



ESG Value Creation Journey

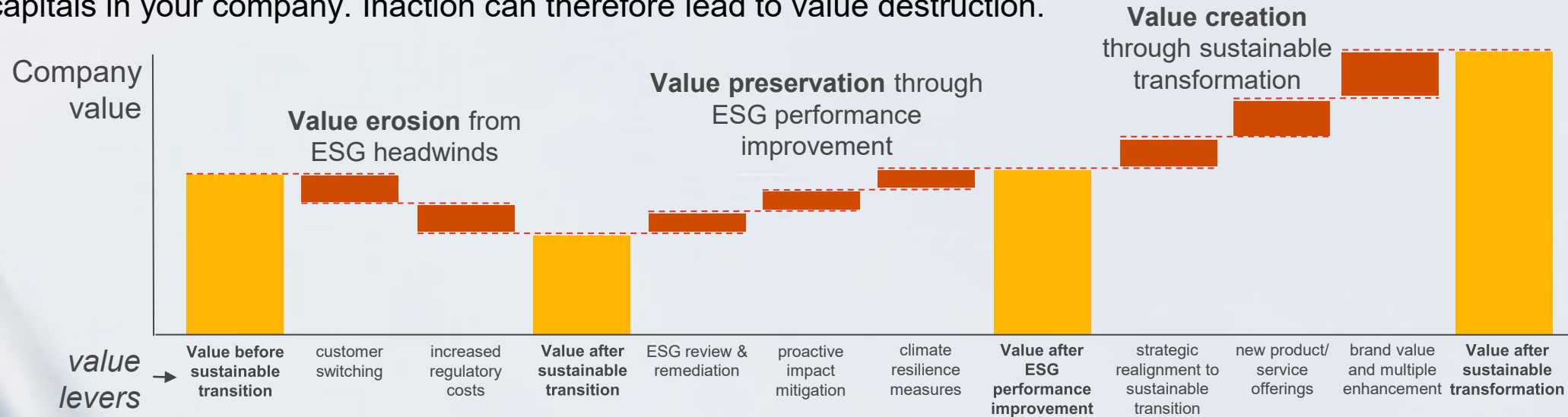
What is ESG and what do we mean by ESG factors?

ESG is a set of non-financial performance indicators that can be used to better understand material risks and opportunities related to sustainability. Investors and stakeholders are interested to understand ESG-related risks by analysing strategies and activities which can quantify adverse risks associated with your industry and company. Some examples of ESG pillars can include:



Why does ESG matter?

Focusing on ESG is about value preservation (at a minimum) and value creation by optimising the use of key business drivers and capitals in your company. Inaction can therefore lead to value destruction.



Business as usual: Value erosion from ESG headwinds is the 'do nothing' scenario

Without positive action, progress on ESG issues by peers, changing consumer, employee and investor expectations, and new regulations, will inevitably lead to value erosion.

Inaction on ESG can lead to value destruction.

Less ambitious: Value preservation can be achieved through targeted ESG performance improvement

To get started, business needs to:

- Identify value-linked ESG factors and perform **rapid remediation** of critical issues;
- Review operations and value chain for exposure to **climate change**, **social unrest**, and **poor corporate governance**, and develop and implement **risk mitigation** plans;
- Define **targets**, **KPIs** and a **roadmap** to drive ESG performance; and
- **Communicate** relative ESG performance and resilience to key stakeholders.

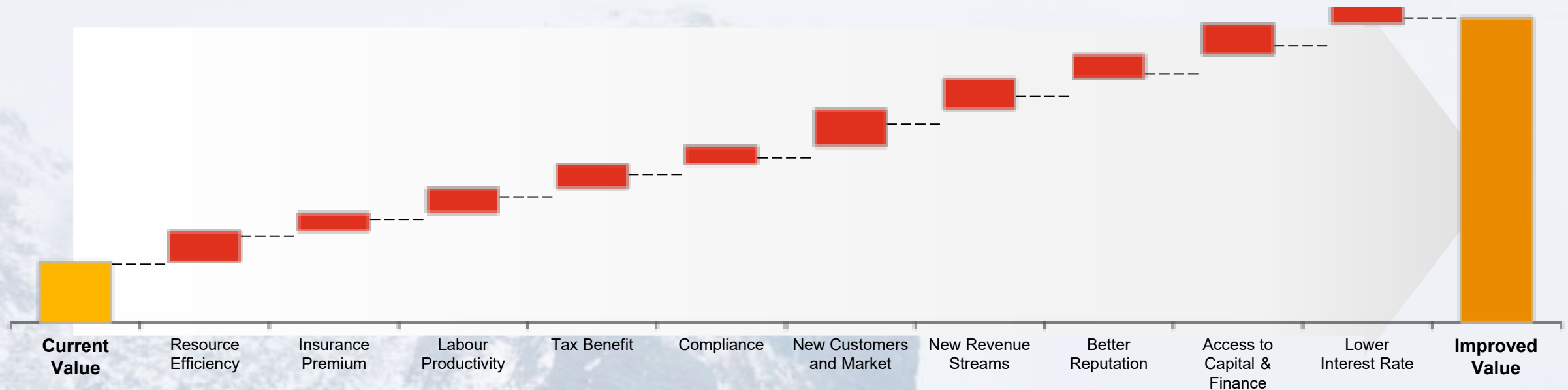
More ambitious: Unlocking significant value creation is possible through ESG-led investment strategies and sustainable transformation of the business model and existing assets

For business to transform its operations and revenue streams, it needs to:

- **Align value proposition** with ESG through a review of the company's vision and mission;
- **Re-evaluate business model and revenue streams** and identify possible transformation strategies which incorporate ESG risks and opportunities;
- Develop a comprehensive **public relations and communications strategy** which can directly communicate the company's sustainability vision and mission with its consumer base and the broader public.

How can ESG create value?

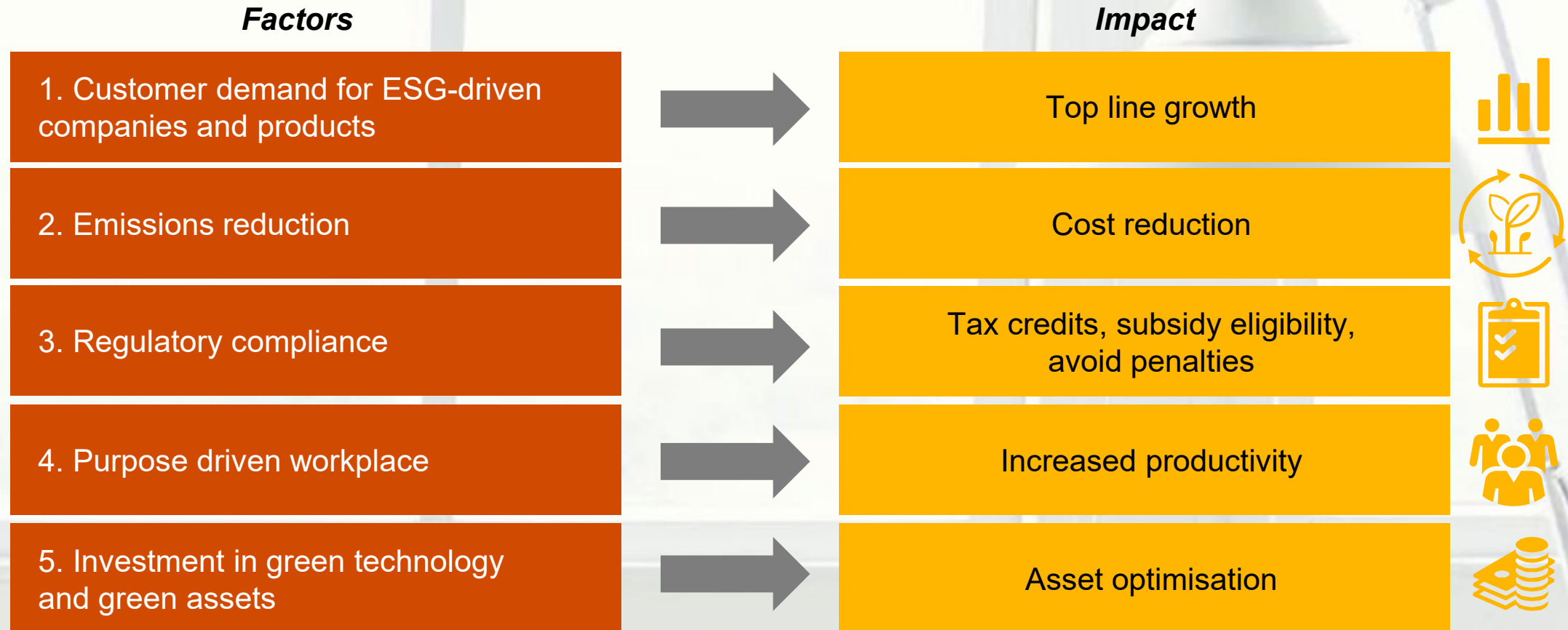
ESG can create financial value for companies in the long-term from cost reduction, productivity, new revenue and access to finance. MSCI study indicates that higher ESG scores can reduce the cost of capital by up to 1.14 per cent while other studies indicated that it could be as much as 10 per cent.



Source: MSCI, PwC Analysis

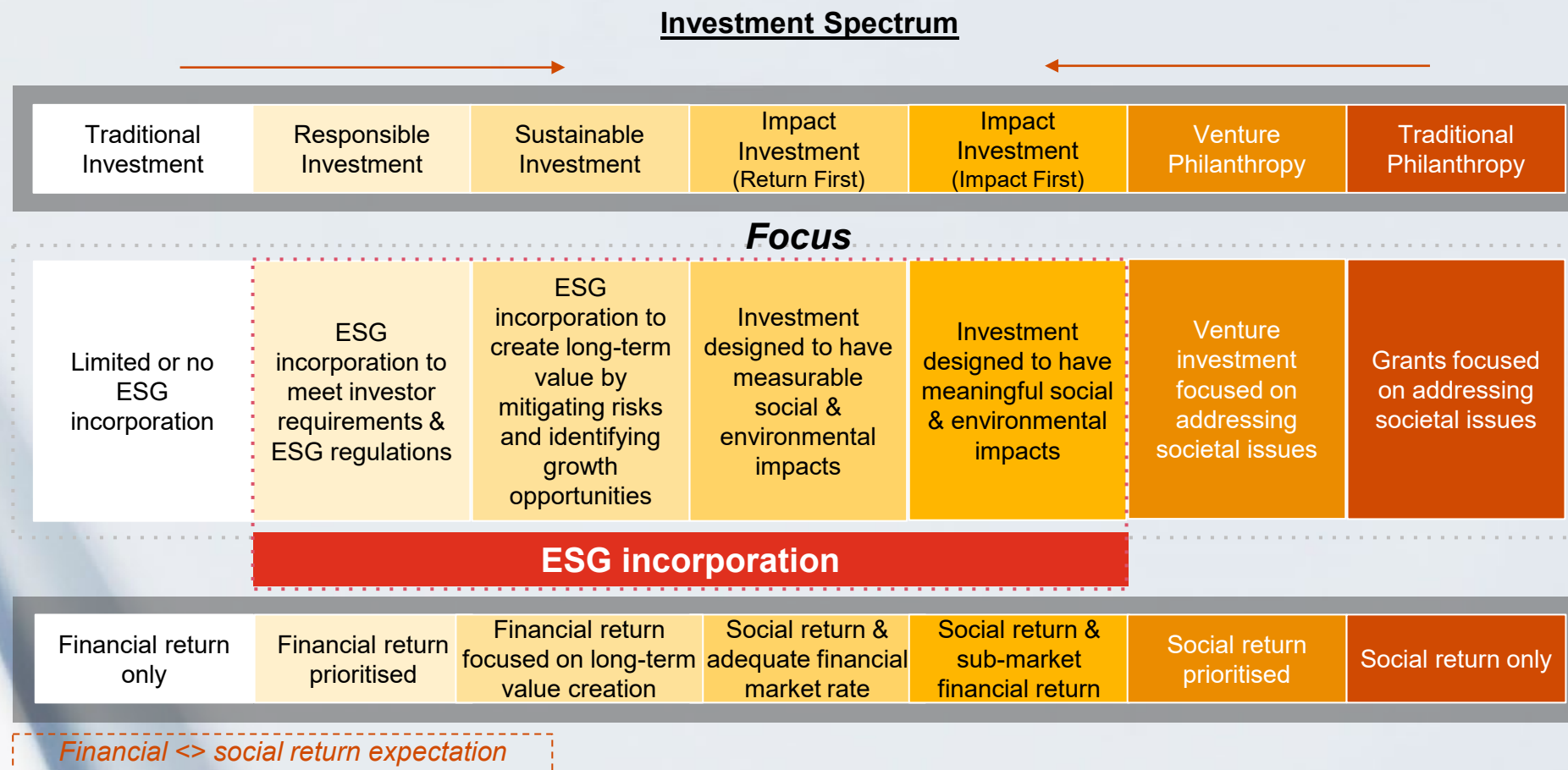
ESG factors can impact financial performance in various ways

ESG factors can have direct and indirect impact on a company's balance sheet. Having a comprehensive ESG strategy, which is integrated into your corporate strategy can create financial and non-financial value over an extended period of time.



How does ESG inform investment decisions?

Over the past 10-15 years, we have witnessed the emergence of new and innovative approaches to investment that seek to balance financial and social returns. Traditional philanthropists and donors rely more and more on innovative financing schemes to leverage investment finance alongside more traditional development assistance.



ESG value creation journey

Your ESG journey must take a holistic approach and consider relevant capitals and stakeholders to optimise value creation

ESG Strategy Development

1 Understanding ESG

2

- set ambitions / objectives
- benchmarking analysis
- Identify risks & opportunities
- gap analysis

Driving Levers

STAKEHOLDERS



Government



Community



Consumers



Investors /
Shareholders



Board



Suppliers



Employees

CAPITALS



Financial



Manufactured



Intellectual



Human



Social &
Relationship



Natural

Implementation

Monitoring & Evaluation

4

review ESG integration & implementation

quantify & monetise ESG

re-evaluate ESG risks & pressures

Update / amend strategy

awareness raising

capacity building

ESG initiatives

structure, processes, culture, infra







ESG measurement

non-financial reporting & assurance

How can a company affect its share price through ESG action?



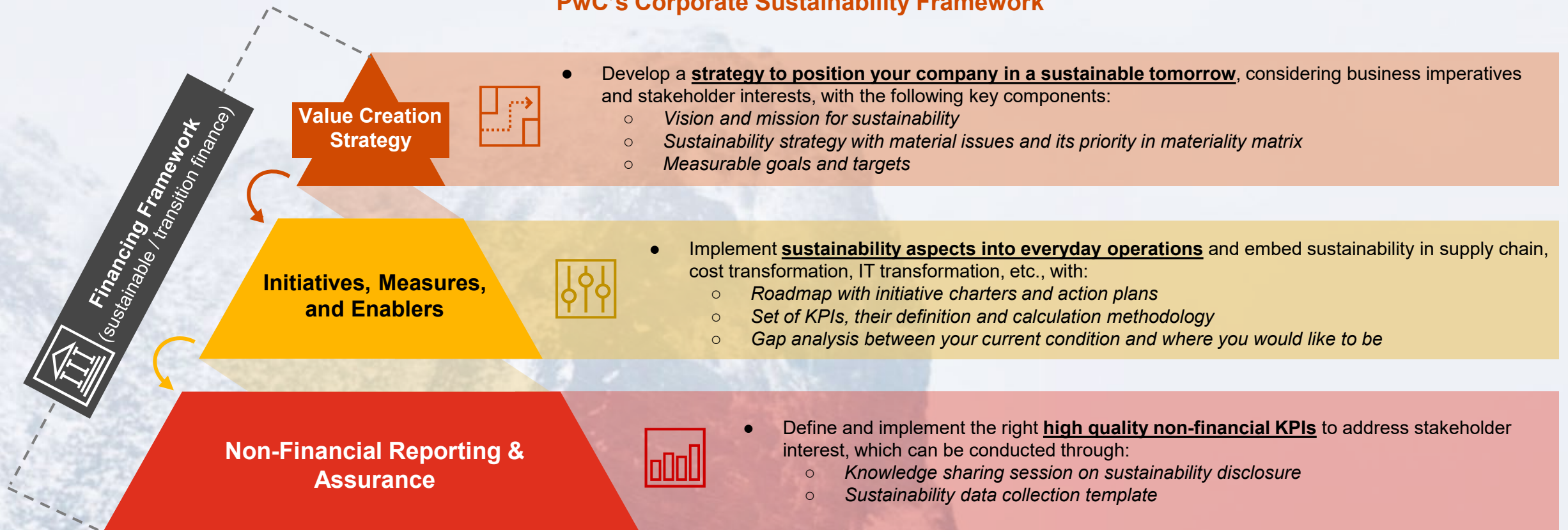
Starting your ESG journey

	Step	Description	Action Item
	1. ESG Strategy	Sustainability strategy that reflects company and board's vision around ESG	Incorporate an ESG/sustainability strategy into your corporate strategy
	2. Net-zero strategy	Emissions reduction strategy that identifies critical sources of GHG emissions and develops a path towards net-zero targets	Map out your GHG emissions across scopes 1 through 3 in line with your materiality assessment and develop science-based targets to reduce emissions / achieve net-zero
	3. Reporting strategy	Comprehensive strategy which provides an overview of your key stakeholders' expectations and reporting frameworks/standards that best support your disclosure, reporting, and rating requirements	Identify your key stakeholders' requirements, regulatory frameworks, database needed for comprehensive reporting
	4. Sustainability reporting	A report that provides an overview of your ESG performance as it relates to your management, operations, and value chain	Develop a full materiality matrix which covers all your main ESG themes and topics
	5. ESG Risk Ratings	Ratings that assess your company's ESG performance conducted by independent third party verifiers	In line with your reporting strategy, complete necessary actions in preparation of your ESG performance evaluation
	6. Dissemination	Public distribution and socialisation of your overall ESG performance including ESG and net-zero ambitions, sustainability report, and ESG risk rating	Signal to the market that your company has incorporated ESG across your operations with support from your marketing and social media teams

PwC's Corporate Sustainability Framework can enable your company to comprehensively incorporate ESG across your value chain

Our framework will be adapted to your needs and urgent priorities, but typically the journey starts by developing an ESG strategy linked to your corporate strategy

PwC's Corporate Sustainability Framework



2





Sustainability
Reporting, Ratings,
and Indices

The sustainability landscape is continuously evolving, with different components and companies offering multiple services



Source: Positive Investment Imperial, PwC Analysis

Frameworks, standards, indices, and ratings are built to tackle different problems throughout the sustainability landscape

	Sustainability Frameworks	Sustainability Standards	Sustainability Ratings	Sustainability Indices
Definition	<ul style="list-style-type: none"> A broad set of principles-driven guidance on what information should be covered, and how it should be prepared and disclosed. 	<ul style="list-style-type: none"> A document issued by a standard-setting body, designed to make a framework actionable by dictating the specific rules for what should be reported. 	<ul style="list-style-type: none"> Assessment of a company's material ESG performance / risk management¹ measured using quantifiable indicators and aggregated into a single score / rating. 	<ul style="list-style-type: none"> An index which tracks, measures and ranks the performance of a group of companies or assets in sustainability using a variety of metrics and methodologies.
Scope	<ul style="list-style-type: none"> Guidance for all organizations to move the world towards more sustainable future. 	<ul style="list-style-type: none"> Disclosure of information concerning the ESG issues within and related to business management. 	<ul style="list-style-type: none"> Absolute ESG performance (often industry weighted to remove industry bias). 	<ul style="list-style-type: none"> ESG Performance relative to peers. ESG Performance relative to overall standards.
Use	<ul style="list-style-type: none"> Used to showcase commitment to ESG and Sustainability. Provides the baseline metrics to further demonstrate current environmental impact. Allows to define and formulate the metrics to track current ESG progress. 	<ul style="list-style-type: none"> Provides transparency – as a response from the government and society toward factors that jeopardize social structure. Provides internal monitoring to external communication toward the stakeholders. 	<ul style="list-style-type: none"> Provides stock-specific / fund-specific information on ESG performance / risk management¹. Used to monitor specific equities and funds. Used to construct ESG indices. 	<ul style="list-style-type: none"> Provides information to investors on the relative performance of the companies in the index. Forms a high-level basis for stock inclusion into the investable universe.
Examples				

Note: 1) there are different methodologies used by different rating agencies to assess ESG performance including level of ESG disclosure, action against ESG commitments, action taken to manage ESG risks, etc. ESG criteria are often weighted according to industry and the overall assessment is based on which ESG factors have a clear correlation to financial performance of the company / industry

Source: Positive Investment Imperial, Company/institution websites, PwC Analysis
PwC

Sustainability frameworks offer organizations guidance on how to report on different aspects of their non-financial performance



Key Features	Covers reporting practices and management approach in dealing with material Economic, Environmental, and Social (EES) topics	Covers 11 recommendations for climate-related financial disclosures	Acts as a framework that assesses the long-term viability of a firm's business model and promotes effective allocation of resources	Business-level disclosure on climate change, forests, and water designed to provides a structure for collecting data for reporting	Guides companies on the path to setting emissions reduction targets that are verifiable and in alignment with the goals of the Paris Agreement	Comprehensive scheme for reporting GHG emissions by both public and private actors across the value chain
Areas Covered	<ul style="list-style-type: none"> 34 topic-specific standards: organized into EES series Covers a wide set of disclosures across all EES components 	<ul style="list-style-type: none"> Covers climate-related metrics Covers four key areas: governance, strategy, risk management, and metrics & targets 	<ul style="list-style-type: none"> Connects sustainability disclosures to other disclosures in financial reporting: 1) business model; 2) strategy; (3) resource allocation; 4) performance and risks; and 5) opportunities and governance, among others 	<ul style="list-style-type: none"> Capture environmental performance data related to GHG emissions, water, forests, and supply chain. 	<ul style="list-style-type: none"> Covers two methods for developing companies' science-based targets: the Absolute Contraction Approach (used by four out of five companies with approved science-based targets) or the Sectoral Decarbonization Approach (SDA). 	<ul style="list-style-type: none"> Covers greenhouse gas emissions metrics Three scopes are set out: scope 1, 2, and 3 emissions.
How They Complement Each Other	<ul style="list-style-type: none"> Mandatory to report as a signatory Mandatory to report against the TCFD framework 	<ul style="list-style-type: none"> Voluntary reporting Complements UN Principles of Responsible Investing (PRI) and TCFD recommendations 	<ul style="list-style-type: none"> Voluntary reporting Complementary to the other sustainability frameworks In June 2021, the IIRC merged with SASB to form the Value Reporting Foundation (VRF) 	<ul style="list-style-type: none"> Complementary to TCFD, SDGs CDP was consolidated into the IFRS Foundation to support the work of the newly established International Sustainability Standards Board (ISSB), which is expected to be completed by June 2022 	<ul style="list-style-type: none"> The SBTi is a partnership between CDP, the United Nations Global Compact, World Resources Institute (WRI) and the World Wide Fund for Nature (WWF) 	<ul style="list-style-type: none"> In 2016, 92% of Fortune 500 companies responding to the CDP used GHG Protocol directly or indirectly through a program based on GHG Protocol
Websites	globalreporting.org	fsb-tcfd.org	integratedreporting.org	cdp.net	sciencebasedtargets.org	ghgprotocol.org

Reporting standards represent global best practice for reporting on a range of ESG impacts

						
Key Features	A set of accounting standards from the newly created ISSB that will consolidate the SASB and CDSB standards and create the global benchmark for sustainability disclosure in financial markets	A set of Stakeholder Capitalism Metrics (SCM), drawn from existing standards and offers comparable metrics and disclosures across four pillars	Merger between SASB and Integrated Reporting (IR) to align standards and provide a comprehensive approach to long-term value creation	SASB standards are based on a complete set of 77 industry-specific standards and associated metrics	Advancing and aligning the global mainstream corporate reporting model to equate natural and social capital with financial capital	Tools for quantifying and reporting GHG emissions from products by the largest international standard setting board for use in emissions trading schemes
Areas Covered	<ul style="list-style-type: none"> Architecture of ISSB standards include three things: 1) General requirements for disclosures around things; 2) Climate risk; 3) Industry-specific requirements. 	<ul style="list-style-type: none"> Covers four pillars: principles of governance, planet, people, and prosperity Incorporated a set of 21 core quantitative metrics and disclosures Covers a set of 34 expanded metrics and disclosures that tend to have a wider value chain scope 	<ul style="list-style-type: none"> All areas covered by SASB and IR, along with the six Integrated Thinking Principles: purpose, strategy, risks and opportunities, culture, governance, and performance 	<ul style="list-style-type: none"> 26 sustainability issues, categorised as five broad sustainability dimensions: environment, social capital, human capital, business model and innovation, and leadership & governance 	<ul style="list-style-type: none"> Covers five pillars: 1) natural, human and social capital dependencies; 2) Environmental and social results; 3) Environmental and social risks and opportunities; 4) Environmental and social policies, strategies, and targets; 5) Performance against environmental and social targets 	<ul style="list-style-type: none"> ISO14007: Determining Environmental Costs & Benefits ISO14008: Monetary Valuation of Environmental Impacts & Aspects ISO14030: Green Bonds ISO14097: Climate Related Metrics for the Finance Sector
How They Complement Each Other	<ul style="list-style-type: none"> The ISSB which is expected to be completed by June 2022 is present as a form of consolidation of global bodies (CDSB, IIRC and SASB), as well as the support of IOSCO, TCFD and WEF. 	<ul style="list-style-type: none"> Complements UN PRI Supplements TCFD with its S and G components Aligned to the UN SDGs 	<ul style="list-style-type: none"> Provides a comprehensive picture for long-term value creation IFRS Foundation will consolidate VRF and the Climate Disclosures Standards Board (CDSB) into the International Sustainability Standards Board (ISSB), which is expected to be completed by June 2022 	<ul style="list-style-type: none"> Voluntary reporting (driven towards mandatory for American companies) Complements to GRI standards 	<ul style="list-style-type: none"> Complements to TCFD Climate Disclosure Standards Board (CDSB) was consolidated into the IFRS Foundation to support the work of the newly established International Sustainability Standards Board (ISSB), which is expected to be completed by June 2022 	<ul style="list-style-type: none"> Helps to meet the SDGs with economic, environmental and societal dimensions that are all directly addressed by ISO standards
Websites	ifrs.org	weforum.org	valuereportingfoundation.org	sasb.org	cdsb.net	iso.org

The different ESG ratings and scores are used by investors to support their investment and funding decisions



Rating Scale	<ul style="list-style-type: none"> AAA – CCC scale Industry-adjusted 	<ul style="list-style-type: none"> 0 – 100 risk score By industry / global 	<ul style="list-style-type: none"> AAA – D scale Sector weighted 	Percentage scores rendered to grades A+ to D-	Total scores between 0 - 100	A - D scale
Key ESG Metrics	<ul style="list-style-type: none"> 37 ESG issues across 10 themes, sector specific Disclosure and performance type data 	<ul style="list-style-type: none"> 220 indicators & 450 fields, 138 sub-industries Data on how well the company is managing risks 	<ul style="list-style-type: none"> 28 ESG issues across 59 hot topics Risks / sentiment data on how exposed is the company 	<ul style="list-style-type: none"> 450+ ESG metrics 186 comparable measures Performance type data 	<ul style="list-style-type: none"> Over 80 key issues Weighted by industry Performance type data on steps taken by the company 	<ul style="list-style-type: none"> Climate change Forests Water security
Data Points	1000+ data points	undisclosed	undisclosed	450+ data points, ratios and analytics	1000+ data points per company	undisclosed
Data Sources	Gov't and NGO reports, company reports, media	Corporate publication and regulatory filings, NGO reports, media	Publicly available data and industry data	Corporate, publicly reporting data, global media sources	Online questionnaire supported by company documents	Online questionnaire supported by company documents
Usage	<ul style="list-style-type: none"> Individual company and fund ESG score and report MSCI ESG Indices 	Company ESG risk score for security screening and portfolio construction	Company ESG risk score for portfolio monitoring, quant analysis, back testing	Integration of ESG factors into portfolio analysis, equity research, screening	Integrated into financial analysis for asset management products	Company reputation analysis, align with TCFD, uncover ESG risk & opportunity
Insights	<ul style="list-style-type: none"> Broad applicability Largest provider of ESG Indices globally 	<ul style="list-style-type: none"> Risk focused Product offerings are ESG specific 	Outside-in-approach to assess company on-the-ground performance	<ul style="list-style-type: none"> Transparent and auditable data Distinct scoring methods 	Industry-specific data collection methodology	Industry-specific data on climate change, forests, and water sec.
Websites	msci.com	sustainalytics.com	reprisk.com	refinitiv.com	spglobal.com	cdp.net

The Indonesian Stock Exchange (IDX) has released four ESG indices to date, covering different segments of the market

ESG Indices released by IDX as of March 2022

Index Name	Launch	Number of constituents	Coverage	Selection criteria	Parties responsible
SRI-KEHATI	June 2009	25	Top 25 ESG performing stocks on IDX	Three-phase ESG assessment: Phase 1: Filtering Financial and Liquidity Aspects Phase 2: Filtering Core Business Phase 3: Assessing Companies' ESG Aspects	KEHATI ¹ and IDX
ESG Quality 45 IDX KEHATI	December 2021	45	Top 45 ESG performing stocks on IDX	Three-phase ESG assessment: Phase 1: Filtering Financial and Liquidity Aspects ² Phase 2: Filtering Core Business Phase 3: Assessing Companies' ESG Aspects	KEHATI and IDX
ESG Sector Leaders IDX KEHATI	December 2021	unfixed, currently 48	All above-average ESG performing stocks in their respective sectors (12 sectors based on IDX-IC ³)	Three-phase ESG assessment: Phase 1: Filtering Financial and Liquidity Aspects Phase 2: Filtering Core Business ⁴ Phase 3: Assessing Companies' ESG Aspects	KEHATI and IDX
IDX ESG Leaders	December 2020	15 - 30	Top 15 - 30 ESG performing stocks on IDX (Sustainalytics Ranking)	Three selection criteria: Criteria 1: Companies with involvement in controversies category 4 and 5 ⁵ are excluded Criteria 2: Companies with ESG risk rating category of high and severe ⁶ are excluded Criteria 3: From the remaining universe, companies that have the lowest ESG risk rating ⁷ are selected (with minimum 15 constituents and maximum 30 constituents)	IDX

Note: 1) Indonesian Biodiversity Foundation; 2) Financial Indicators: Profitability (ROE), Earning Risk (EPS Volume), and Financial Risk (Leverage); 3) IDX Industrial Classification; 4) Sectoral diversification through IDX Industrial Classification (IDX-IC)

5) Sustainalytics define Category 4 and 5 as controversies with High and Severe Impact respectively on environment, society and business risk.; 6) ESG Risk rating of 30 and above; 7) ESG Risk Rating between 0-30 (negligible, low and medium risk)

Source: Indonesian Stock Exchange, KEHATI, Kontan
PwC

KEHATI has been actively involved in developing the Indonesian ESG investing landscape since 2009 and now manages three ESG indices

KEHATI at a glance



Established in 1994, the non-profit KEHATI aims to catalyse innovative solutions to conserve, manage, and utilize Indonesia's biodiversity in a sustainable manner

Key engagement programs

1 Grants programs¹

Grant collection, managing, and distribution to preservation of forests, agriculture, and marine ecosystems. Worked with 1000+ institutions and managed >USD 200 million.

2 Green investment

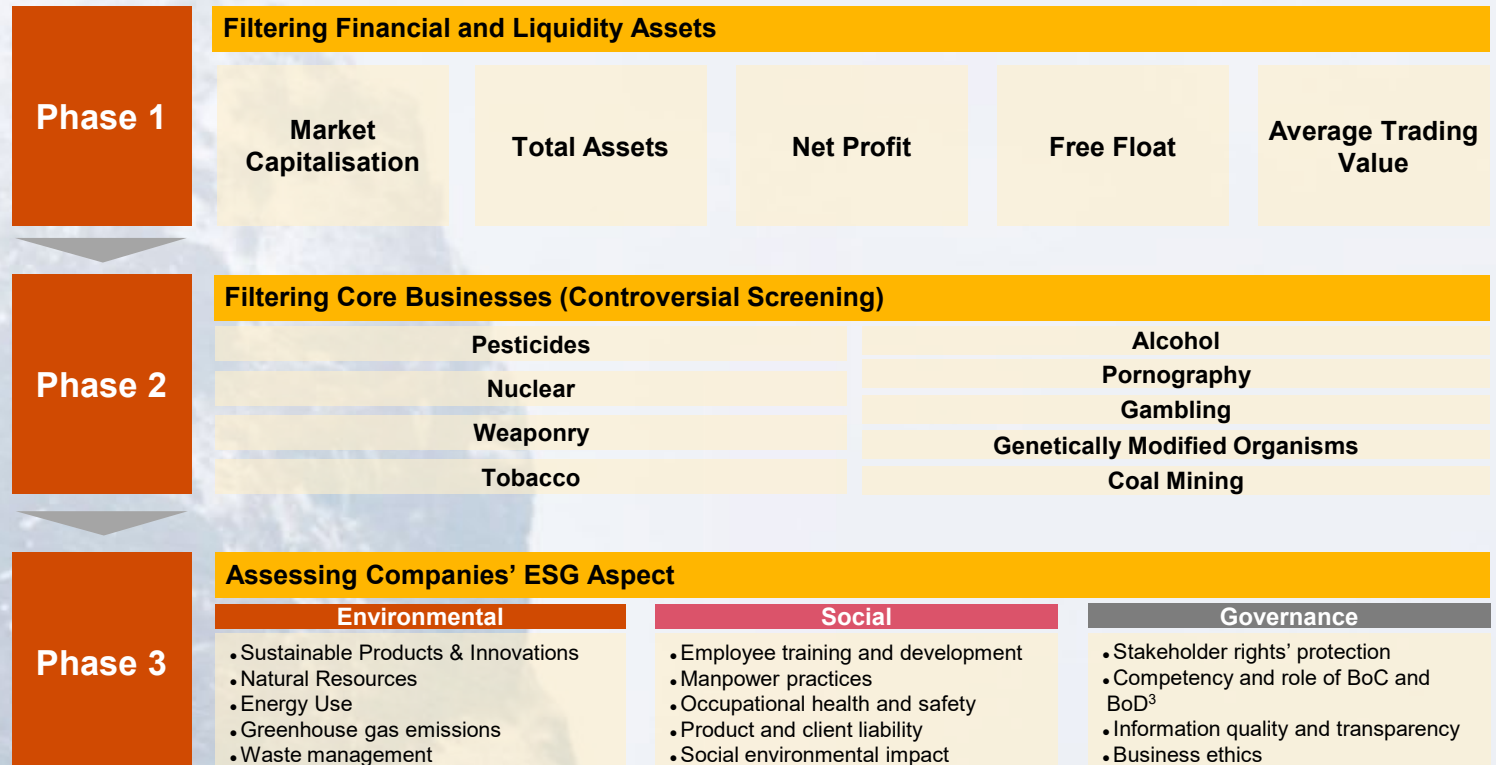
ESG investments, in the form of indices which are available as mutual funds to the public in collaboration with IDX and asset managers. Total AUM as of December 2020: >USD 220 million.

3 KEHATI awards

Annual sustainability awarding across different categories to including but not limited to: individuals, NGOs², researchers, schools, communities, universities, businesses, as well as government institutions.

KEHATI index constituent selection process

All indices managed by KEHATI are selected through a three-phase process conducted every six months, with an index rebalancing conducted every three months:



Note: 1) Grants sourced and collected from multilateral donors, the private sector, endowment funds, philanthropies, and crowdfunding; 2) Non-government organisations; 3) Board of Commissioners and Board of Directors
Source: KEHATI, Indonesian Stock Exchange, Company Websites, PwC Analysis
PwC

Sustainalytics is one of the largest ESG Risk Ratings available, rating 13,000+ companies worldwide



Sustainalytics at a glance

Acquired by MorningStar in 2020 and with a track record of 30+ years, Sustainalytics provides ESG research, ratings and data to institutional investors and companies.

Key figures

1,000+

clients

172

countries covered

138

sub-industries

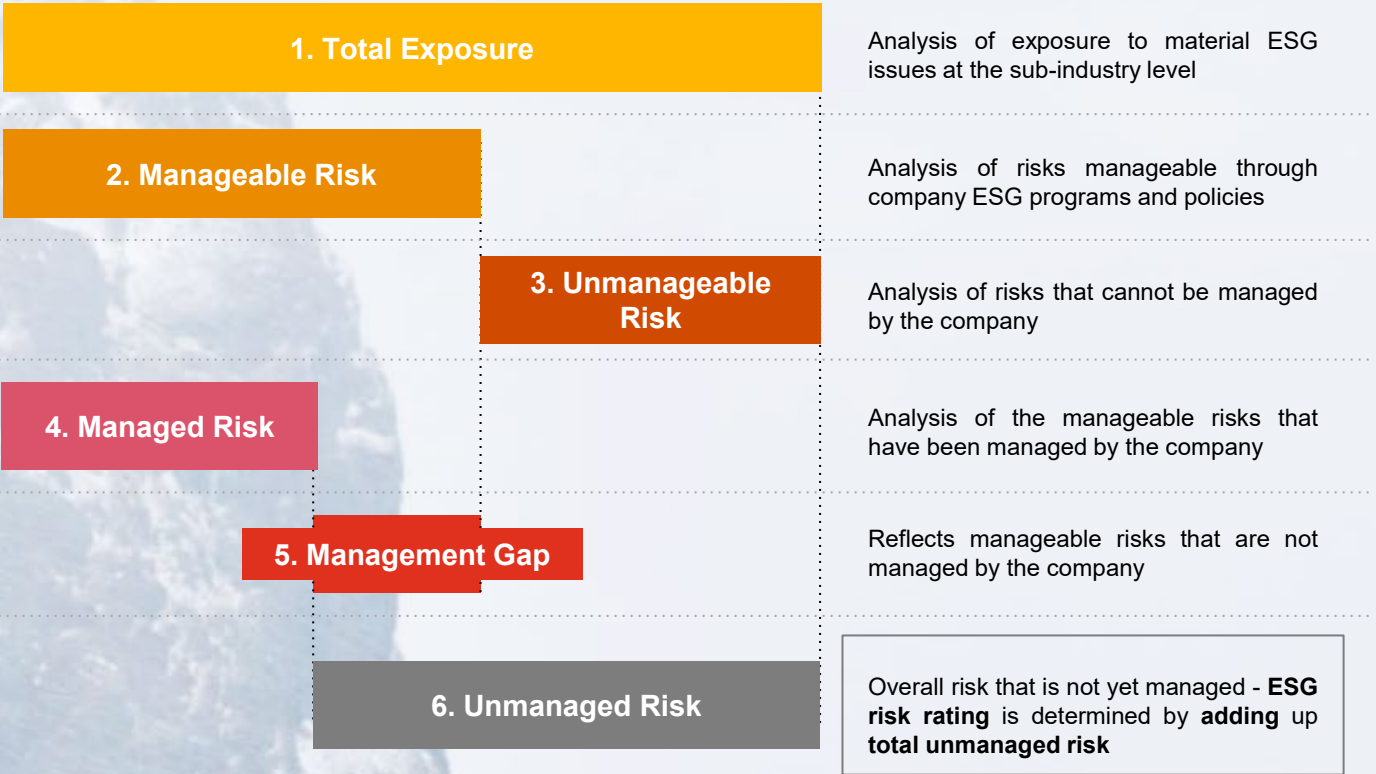
Sustainalytics ESG Risk Ratings Categories

- Based on their quantitative scores out of 100, companies are grouped into one of five risk categories
- These risk categories are absolute, meaning that a 'high risk' assessment reflects a comparable degree of unmanaged ESG risk across all sub-industries covered.
- This means that a bank, for example, can be directly compared with an oil company or any other type of company.

Rating Scale
Category 1: Negligible (0 - 10)
Category 2: Low (10-20)
Category 3: Medium (20-30)
Category 4: High (30 - 40)
Category 5: Severe (40+)

ESG Rating Framework

Sustainalytics' ESG Risk Rating combines **exposure** to industry material ESG risks and **management** of those risks to obtain an overall ESG risk rating. Rating a company's ESG risk out of 100, they start by determining the company in question's sub-industry and further assess:



Several regulations have been issued to advance private sector action in support of the government's sustainability efforts



Note: 1) SDGs: Sustainable Development Goals; 2) GoI: Government of Indonesia; 3) OJK: Indonesian Financial Services Authority; 4) OJK Regulation; 5) MoF: Ministry of Finance; 6) Sukuk: Shariah-compliant investment instruments;

7) PP: Presidential Regulation






Source: Indonesian Cabinet Secretariat, OJK, Indonesian Ministry of Finance, PwC Analysis

PwC

3

Our Services

PwC Indonesia's ESG services

ESG Integration (value creation services)	 Strategy & Transformation	 Climate	 Operations	 Disclosure	 Finance
	<ul style="list-style-type: none"> • Sustainability strategy • Net zero strategy • Stakeholder engagement strategy • Social impact strategy 	<ul style="list-style-type: none"> • Mitigation & adaptation strategy • Carbon tax advisory • Impact measurement and management • Climate change vulnerability assessment • Scenario analysis • Net zero business transformation • Carbon reduction/abatement • Carbon market/offset 	<ul style="list-style-type: none"> • Sustainable operations & procurement • Impact measurement & management • Sustainable supply chain strategy optimisation, and management • ESG tax risk mitigation • ESG due diligence • Training & capacity building • Human rights impact assessment 	<ul style="list-style-type: none"> • Disclosure/reporting strategy • Sustainability reporting (data approach, controls, quality) • Internal audit strategy & capacity building • Sustainability assurance • ESG risk assurance 	<ul style="list-style-type: none"> • ESG M&A due diligence • ESG Value Creation in Deals • ESG readiness assessment • Responsible investing (framework & upskilling) • Sustainable finance (e.g. thematic bonds, blended finance, sustainability-linked loans)

Our credentials (1/2)

1 ESG strategy, roadmap, governance and reporting

Client

Indonesian food and beverages company

Overview

PwC was engaged by the client to develop its corporate sustainability framework to help drive the implementation of sustainability across the organization. The work include developing materiality matrix by conducting series of workshop with BoD and senior management as well as with the 11 divisions within the Group. The project also covered development of a five-year sustainability roadmap for corporate-wide and its business divisions. We also helped them develop their first sustainability report in accordance with GRI G4 guidelines.

2 ESG climate risk framework, GHG footprint & target setting

Client

Leading Malaysian conglomerate

Overview

The assessment involved the identification and prioritisation of key sustainability risks at both Group and divisional level. Key priority areas that were currently not being adequately addressed by the company were also identified. The assessment enabled the company to develop strategies and mitigating actions for addressing its key sustainability risks. We also developed a global carbon inventory baseline for our client and establishing a carbon reporting process within the group for future years' reporting. We identified emissions reduction opportunities and developed a carbon reduction roadmap.

3 Indonesia's SDGs Financing Hub

Client

United Nations Development Programme

Overview

PwC was engaged for the development of the SDGs Financing Hub which is intended to reduce the financing gap towards the SDGs. This is expected to be established under the Ministry of National Development Planning (Bappenas) to facilitate and strengthen the role of the existing SDGs Secretariat. PwC provided integrated services, including sustainability services, to support UNDP and Bappenas in developing the business case for a sustainable operating model.

Our credentials (2/2)

4 Buy-Side ESG Due Diligence

Client

Indonesian investment management enterprise

Overview

PwC was engaged to assist with financial, tax and ESG due diligence and ESG valuation services on 4 target entities.

The services included:

- obtaining understanding the target entities;
- reviewing compliance and assess gaps;
- assessing ESG risks - Based on historical 5 years and future documented plan, Identification of potential condition precedent / condition subsequent, assess and evaluate client's ESG monitoring metrics and potential ESG-based investment decisions and Identification of opportunities in the revenue and cost levers;
- Preparing a high level ESG Action Plan to identify and provide recommendations.

5 Indonesian Green Sukuk Sustainability Assurance

Client

Indonesian Ministry of Finance

Overview

PwC was engaged by the client to provide limited assurance services in line with the process and selected information provided by the Ministry for the 2019 Green Sukuk – Allocation and Impact Report ("Green Sukuk Report"). The Green Sukuk is the government of Indonesia's first Islamic financing green debt instruments which has been deployed to target five key areas, comprising renewable energy, energy efficiency, disaster risk reduction, waste to energy, and sustainable transport.

6 Carbon Emissions Inventory

Client

Indonesian start-up

Overview

PwC was engaged by the client to develop a carbon emissions inventory baseline and establish a carbon reporting process within the group for future years' reporting. This project included identifying carbon emissions reduction opportunities and developing a sustainability report.

4

Our Specialists

PwC offers sustainability services globally and across Asia-Pacific



*We have **more than 800 sustainability and ESG professionals** in more than 60 countries across our global network. Our global strategy, **The New Equation**, places ESG at the centre of all our services, activities, and operations. It further specifies that PwC will create 100,000 new jobs over the next five years (2021-2026) focused in emerging capability areas, including ESG.*

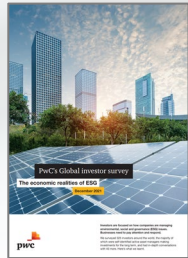
Our strategic partnerships: we have strong alliances, partnerships, and agreements with external organisations around sustainability issues.

We routinely hold several events/webinars that provide ESG-related insights:

- Enhancing your ESG Reporting (August 2022)
- Operationalising ESG: moving from value preservation to value creation (July 2022)
- IPO Readiness & ESG Considerations (March 2022)
- ESG in Journalism (March 2022)
- ESG Considerations for Japanese Companies in Southeast Asia (February 2022)
- Carbon Tax & Carbon Pricing: Considerations for the Indonesian Power Sector (November 2021)
- ESG Value Creation Journey in the Palm Oil Industry (October 2021)
- Editor's Forum: ESG in Business (August 2021)

PwC has released several publications on ESG-related topics

Global



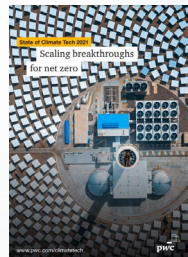
PwC's Global Investor Survey (2021)

Investors are focused on how companies are managing environmental, social and governance (ESG) issues. The survey highlights issues that businesses need to pay attention and respond accordingly in order to appeal to the concerns raised by potential investors.



Are you ready for the ESG revolution? (2021)

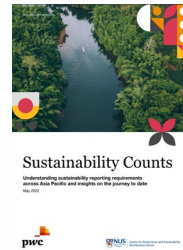
This publication highlights three dimensions of the ESG revolution that social and business need to be considered of: Strategic reinvention, Reimagined reporting, and Business transformation.



State of Climate Tech (2021)

PwC's analysis this year explores how investors are securing both climate impact and commercial returns from this emerging asset class, helping keep the Paris Agreement's goal, of limiting global warming to below 1.5 degrees Celsius, within reach.

Asia Pacific / SE Asia



Sustainability Counts (2022)

Jointly published by PwC and the National University of Singapore (NUS) Centre for Governance and Sustainability (CGS), this report pulls together the developments in global sustainability reporting and sustainability reporting requirements and recommendations in respective jurisdictions.



Code Red – Asia Pacific's Time To Go Green (2021)

This report examines why businesses are rising to the challenge in Asia-Pacific and must partner with the Government. Our case studies highlight examples of businesses setting the tone from the top and delivering transformative change as they transition to net zero.



Rethinking ESG in a post COVID-19 world (2020)

Our case studies highlight that in an effort to emerge stronger from COVID-19, it is imperative for businesses to rethink their ESG commitments. It requires combined efforts from businesses, the government, and the public to plan and drive improvements over the long term.

Indonesia



Indonesia's Green Taxonomy prompts focus on ESG value creation (2022)

PwC Indonesia analyses the impact of the Indonesian Green Taxonomy and discusses how companies can respond to this regulatory change.



Indonesia's Sustainable Transformation (2021)

At the business level, the report outlines the role of corporate ESG strategy in long-term value creation, and evaluates the incumbent challenges in ESG reporting and benchmarking in the Indonesian context.



Plantation NewsFlash: A Recovery Momentum and Journey to Sustainable Industry (2021)

This report highlights that Indonesian palm oil companies are able to mitigate key Environmental, Social and Governance ("ESG") risks by being proactive.

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Thank you

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