



Partners:



FROM ESG TO IMPACT INVESTING:

How Sustainable Finance is Shaping the Future of Business

7-8 DESEMBER 2022

09.00 - 16.00 WIB

ESG

Online With:



 socialinvestment.id

 Arief (0877-5570-7171)    Social Investment Indonesia

Plenary-1: ESG Regulation: Navigating The ESG Journey

7 DESEMBER 2022

09.40 - 12.00 WIB

Narasumber:



Adi Pratomo

*Kepala Divisi Penilaian Perusahaan
Bursa Efek Indonesia*



Prof. Dr. Zuzy Anna, S.Si., M.Si.,

*Director of the SDGs Center
Universitas Padjadjaran*

Moderator



Wahyu Aris Darmono

*Senior Advisor
Social Investment Indonesia*

ESG



Online with:*



Social Investment Indonesia



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Social Investment Indonesia



socialinvestment.id



www.idx.co.id



Indonesia Stock Exchange



@indonesiastockexchange



@IDX_BEI



Indonesia Stock Exchange

Strengthening ESG Implementation in Indonesia Capital Market



IDX

Indonesia Stock Exchange

member of  WORLD FEDERATION OF EXCHANGES





Sustainable Finance and ESG in Indonesia Capital Market

Sustainable Finance at International and National Levels

Relationships and Key Principles

International Norms



To limit global warming to well below 2, preferably to 1.5 degrees Celsius



Jun 2011: The global standard for preventing and addressing the risk of adverse impacts on human rights linked to business activity



To achieve sustainable goals for economy, social, and environment 2030

Translating international norms for business



a framework used by financial institutions to determine, assess and manage environmental and social risk in projects.



Sustainable Finance for resilience economies and environmental protection



To promote sustainable investment that incorporates social, environment, economic, and governance consideration

National framework & initiative in Indonesia

Indonesia National Action Plan on the GHG reduction Perpres 61/2011



Sustainable Finance regulation: SF Action Plan, Sustainable Reporting, and Green Taxonomy



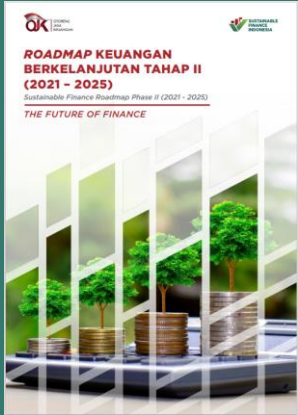
Indonesia National Action Plan on the SDGs – private sectors contribution Perpres 59/2017



IDX's Guidance for the Implementation of Sustainable Finance

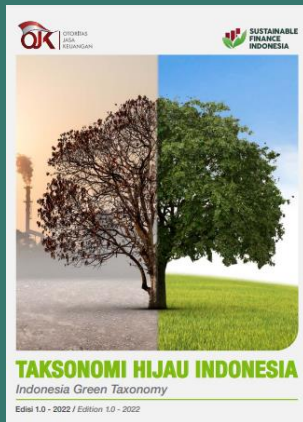


1. POJK No. 51/POJK.03/2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions, Issuers, and Public Companies ("POJK 51") - 18 July 2017



2. Sustainable Finance Roadmap Phase II (2021-2025)

3. Indonesia Green Taxonomy Edition 1.0 – 2022



Source : OJK



The World Federation of Exchanges launched a set of five WFE principles on sustainability (Oct 2018) to support the shift towards a more sustainable and inclusive financial system.

The principles commit WFE members to:

- 1) **Educate** participants in the exchange ecosystem about the **importance of sustainability issues**;
- 2) Promote the enhanced availability of investor relevant, decision-useful **ESG information**;
- 3) Actively **engage with stakeholders** to advance the **sustainable finance** agenda;
- 4) **Provide markets and products** that support the scaling-up of sustainable finance and the reorientation of financial flows; and
- 5) Establish **effective internal governance and operational processes and policies** to support their sustainability efforts.

Source : [WFE Sustainability Principles Report 2018](#)



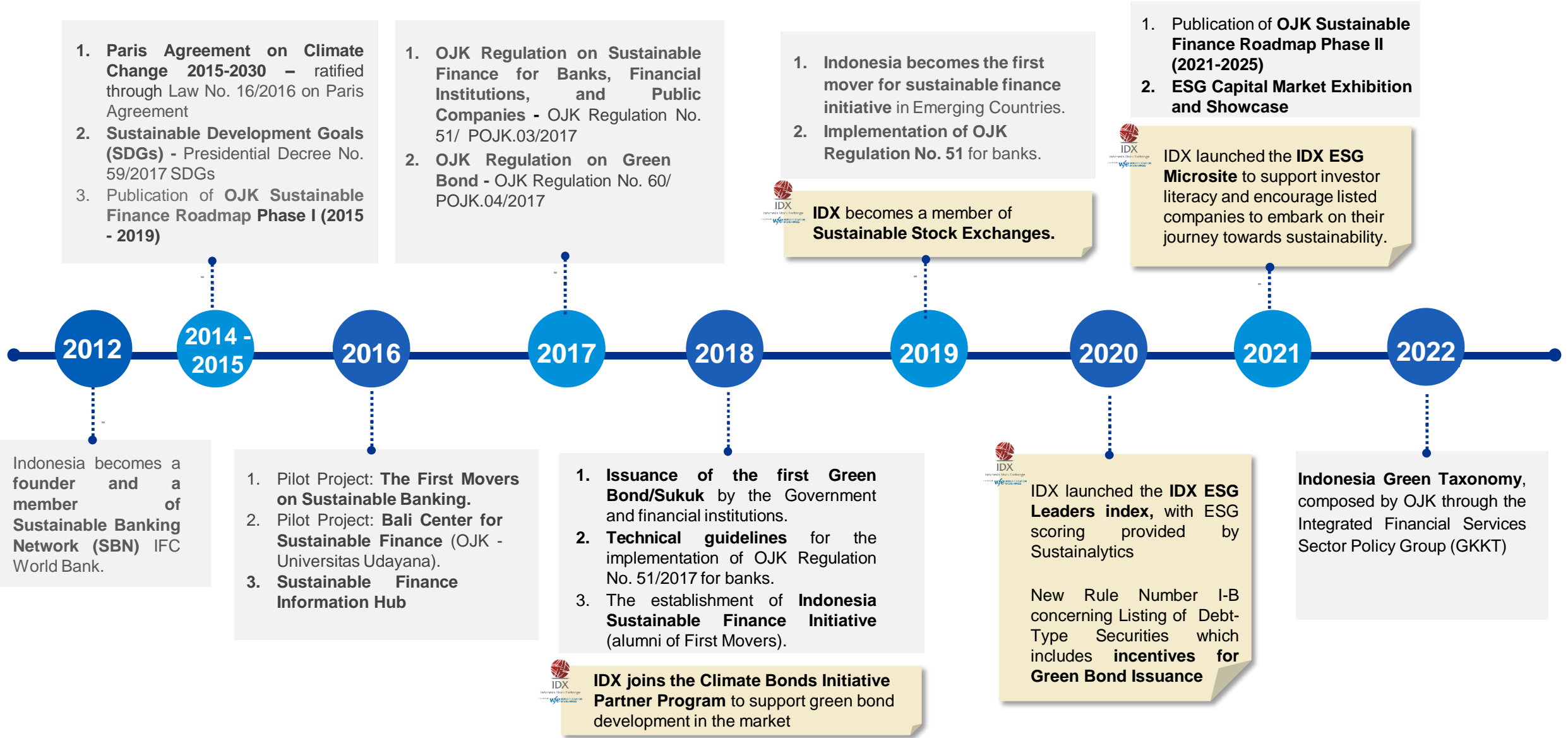
IDX strives to promote the implementation of ESG principles in the Indonesian capital market. To strengthen our commitment, **IDX has been a member of the Sustainable Stock Exchange (SSE) since 18 April 2019.**

Sustainability Development Goals (SDGs) for Stock Exchange



Source : SSE, <https://sseinitiative.org/>

Sustainable Finance Milestones in the Capital Market





IDX Initiatives

IDX Actions to Support the Implementation of ESG

2 PROVIDE INFRASTRUCTURE (MARKET AND PRODUCTS)

IDX develops market and products to implement Sustainable Finance through:

- SME Listing and Supports**
IDX Incubator & Acceleration Board
- Green Products:**
Green Bonds, ESG Related ETF Products, ESG Related Mutual Fund Products
- Green Indices:**
IDX ESG Leaders, SRI-KEHATI, ESG Sector Leaders IDX KEHATI, ESG Quality 45 IDX KEHATI
- Future Initiative :**
Carbon Trading, ESG Risk Rating Disclosure in IDX Website

1 ENGAGE STAKEHOLDERS TO IMPLEMENT SUSTAINABLE FINANCE

- Build strong relationship and collaboration with related institutions
- Incentives for Green Products
- Appreciations for the Stakeholders: AR Award, ASEAN Corporate Governance Scorecard

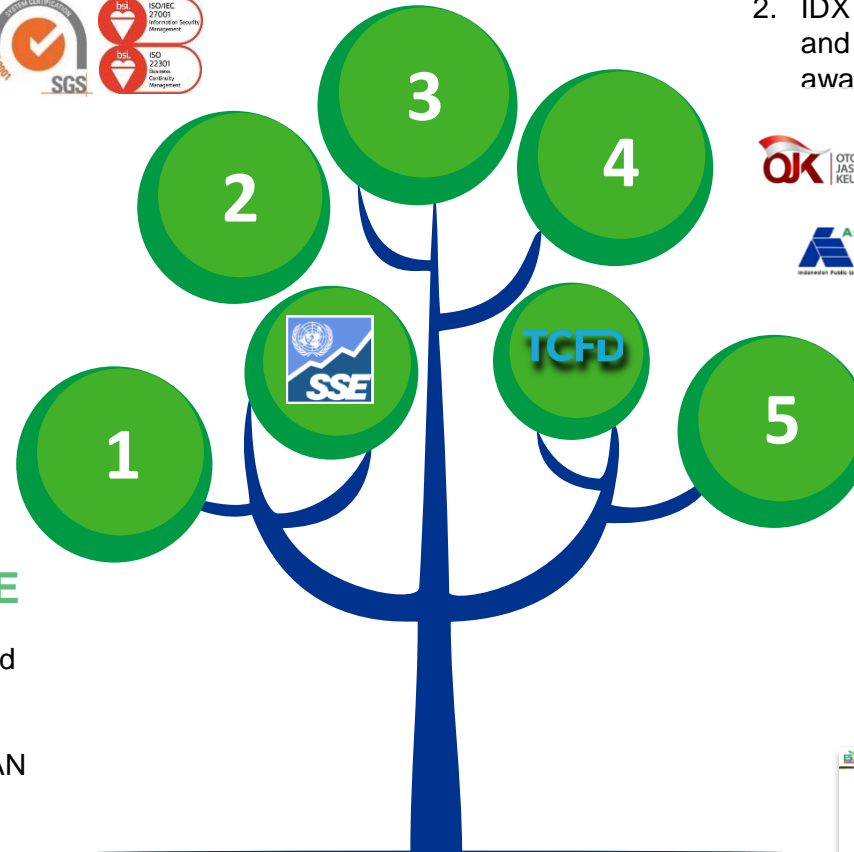
3 IMPLEMENTING GCG IN INTERNAL PRACTICES

- ISO 9001 – Quality Management System
- ISO 27001 – Information Security Management
- ISO 22301 – Business Continuity Management
- ISO 37001 – Anti-Bribery Management Systems
- Whistleblowing System (Letter to IDX)



4 EDUCATE STAKEHOLDERS

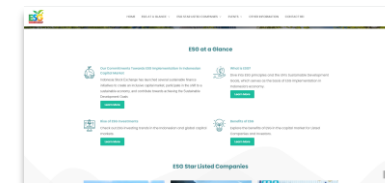
- IDX promotes Sustainable Finance Literacy and Inclusion to the Stakeholders (Especially Listed Companies) by collaborating with OJK, AEI, ICSA, IAI, GRI and other institutions.
- IDX holds routine discussions with institutional investors and educational sessions with retail investors to increase awareness towards ESG investing.



5 ACCESS OF INFORMATION

IDX strives to increase transparency and reduce asymmetric information for the investor through:

- Electronic reporting & integrated System (SPE-IDXnet)
- Promote Green Reporting & Filing through Listing & IPO Filing Integration through SPRINT
- Special Notations (ABCD.X)
- Electronic Indonesia Public Offering (E-IPO) ([Read more](#))
- ESG Scoring (Provided by Sustainalytics)
- IDX ESG Microsite (esg.idx.co.id)



Type equation here.ESG Indices at IDX



To guide investors towards ESG investing and **to promote companies with good ESG practices**, IDX has introduced the following ESG indices:

SRI-KEHATI

Launch date: 8 June 2009

ESG scoring provider: Yayasan Kehati

Selection method: Exclusionary screening, ESG integration

Constituents: 30



ESG SECTOR LEADERS- IDX KEHATI

Launch date: 20 December 2021

ESG scoring provider: Yayasan Kehati

Selection method: Exclusionary screening, Best in class

Constituents: Not fixed



IDX LQ45 LOW CARBON LEADERS

Launch date: 11 November 2022

ESG scoring provider: Carbon Emission Intensity (Scope 1+2)

Selection method: Exclusionary, Best in Class

Constituents: ≤ 45



IDX-ESG LEADERS

Launch date: 14 December 2020

ESG scoring provider: Sustainalytics

Selection method: ESG integration

Constituents: 25



ESG QUALITY 45- IDX KEHATI

Launch date: 20 December 2021

ESG scoring provider: Yayasan Kehati

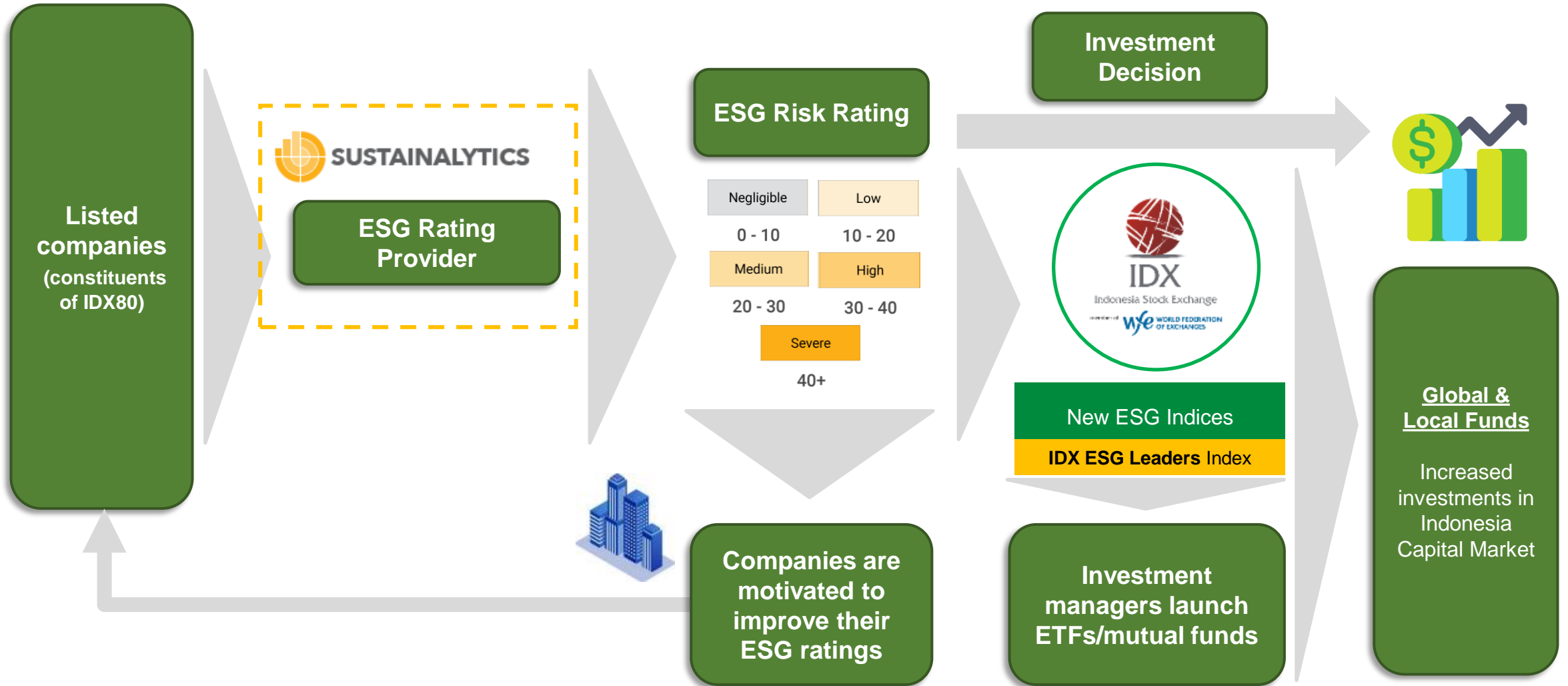
Selection method: Exclusionary screening, Best in class, ESG integration

Constituents: 45



IDX ESG Leaders Index (1/3)

Sustainalytics as the ESG Rating Provider for Index Constituent Selection



IDX ESG Leaders Index (2/3)

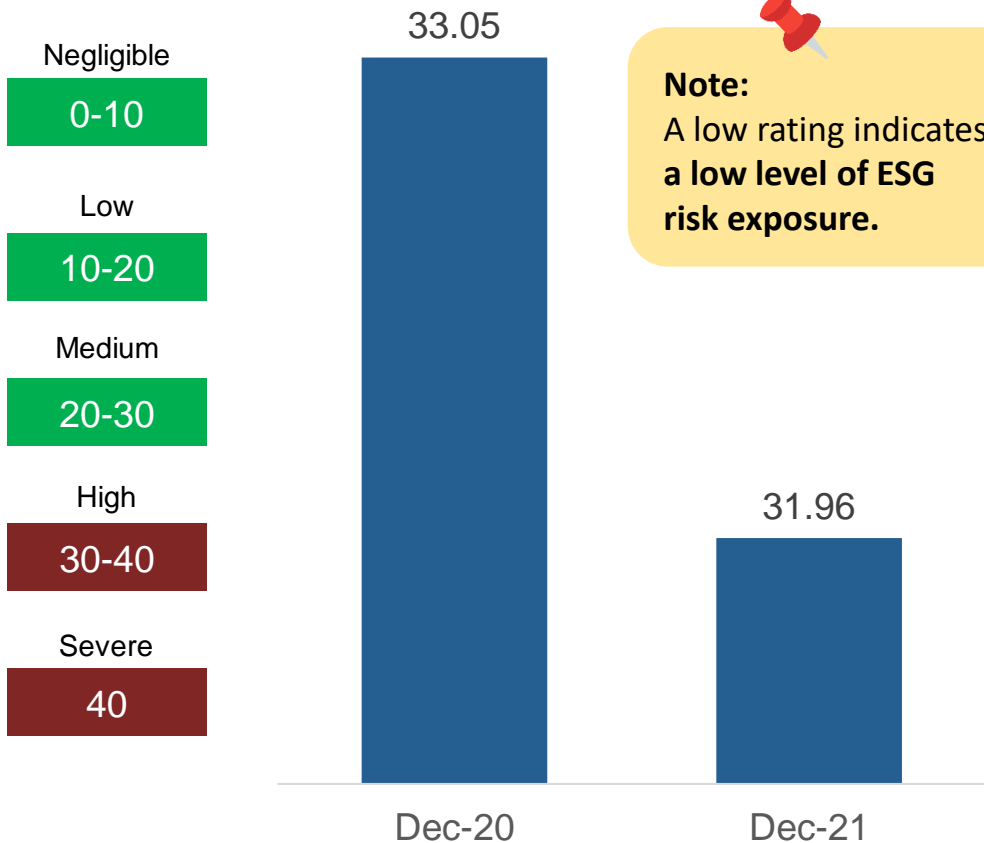
Material ESG Issues (MEIs) List - Sustainability

Material ESG Issues		Material ESG Issues	
1	Access to Basic Services	11	Human Rights – Supply Chain
2	Bribery and Corruption	12	Human Capital
3	Business Ethics	13	Land Use and Biodiversity
4	Community Relations – Supply Chain	14	Land Use and Biodiversity – Supply Chain
5	Data Privacy and Security	15	Occupational Health and Safety
6	Emissions, Effluents and Waste	16	ESG Integration – Financials
7	Carbon – Own Operations	17	Product Governance
8	Carbon – Products and Services	18	Resilience
9	E&S Impact of Products and Services	19	Resource Use
10	Human Rights	20	Resource Use – Supply Chain
Corporate Governance			
Board and management quality and integrity		Remuneration	
Board structure		Financial reporting	
Ownership and shareholder rights		Stakeholder governance	

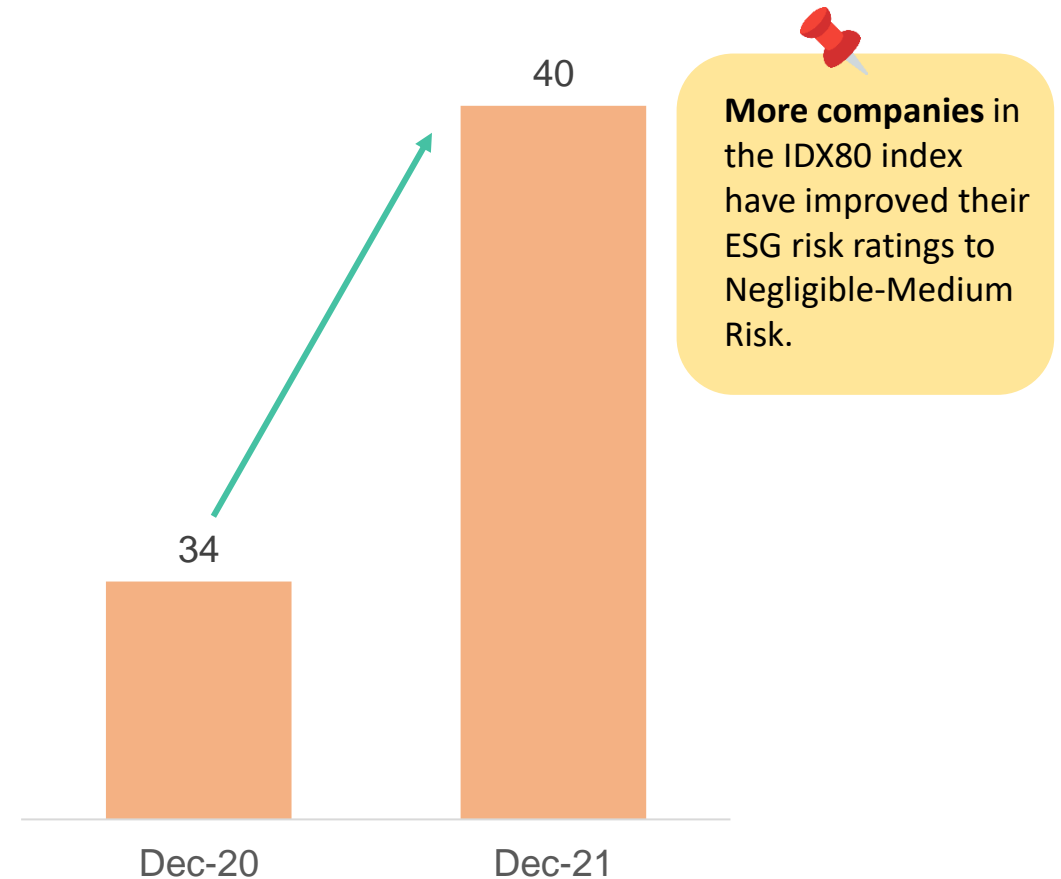
IDX ESG Leaders Index (3/3)

Increased transparency in listed companies' risk rating improvements

Average ESG risk ratings of IDX80 constituents



Number of IDX80 constituents with a 0-30 (Negligible – Medium Risk) Rating



Green Bonds at IDX (1/2)



PT Sarana Multi Infrastruktur

Name : Green Bond Berkelanjutan I Sarana Multi Infrastruktur Tahap I

Issuance amount : IDR500 billion (under an IDR3 trillion program)

Tenor : 3 and 5 years

Listing date : 6 July 2018

Maturity date : 6 July 2021 and 6 July 2023

Coupon rate : 7,55% dan 7,8%

Rating : idAAA (Pefindo)

Second Party Opinion Provider on Green Bond Framework : CICERO



PT Bank Negara Indonesia (Persero) Tbk

Name : Green Bond I PT Bank Negara Indonesia (Persero) Tbk

Issuance amount : IDR5 trillion

Tenor : 3 and 5 years

Listing date : 22 June 2022

Maturity date : 22 June 2025 and 22 June 2027

Coupon rate : 6,53% and 6,85%

Rating : idAAA (Pefindo)

Second Party Opinion Provider on Green Bond Framework : Sustainalytics



PT Bank Rakyat Indonesia (Persero) Tbk

Name : Obligasi Berwawasan Lingkungan Berkelanjutan I Bank BRI Tahap I Tahun 2022

Issuance amount : IDR5 trillion (under an IDR15 trillion program)

Tenor : 370H, 3, and 5 years

Listing date : 21 July 2022

Maturity date : 26 July 2023, 21 July 2025 and 21 July 2027

Coupon rate : 3,70%, 5,75% and 6,45%

Rating : idAAA (Pefindo)

Second Party Opinion Provider on Green Bond Framework : SDGs Hub Universitas Indonesia

Issuer Incentive (OJK)



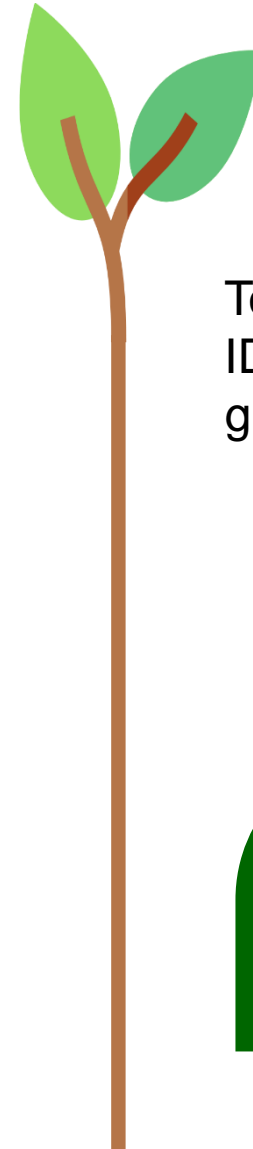
POJK No. 60
/POJK.04/2017
Issuance and
Requirements of
Green Bond

Article 17

- (1) The Financial Services Authority may provide incentives for Issuers who issue Green Bond.
- (2) Provision of incentives as referred to in paragraph (1) determined by the determination of the Financial Services Authority.

The Financial Services Authority may provide incentives such as:

- (1) Human resources capacity building for Issuers;
- (2) Sustainable Finance Award; and/or
- (3) Other incentives



Listing Incentive (IDX)

To support the issuance of green bonds at IDX, the tariff for the annual listing fee of green bonds is charged at

50%



of the listing fee rate
as referred to in provision V.1.



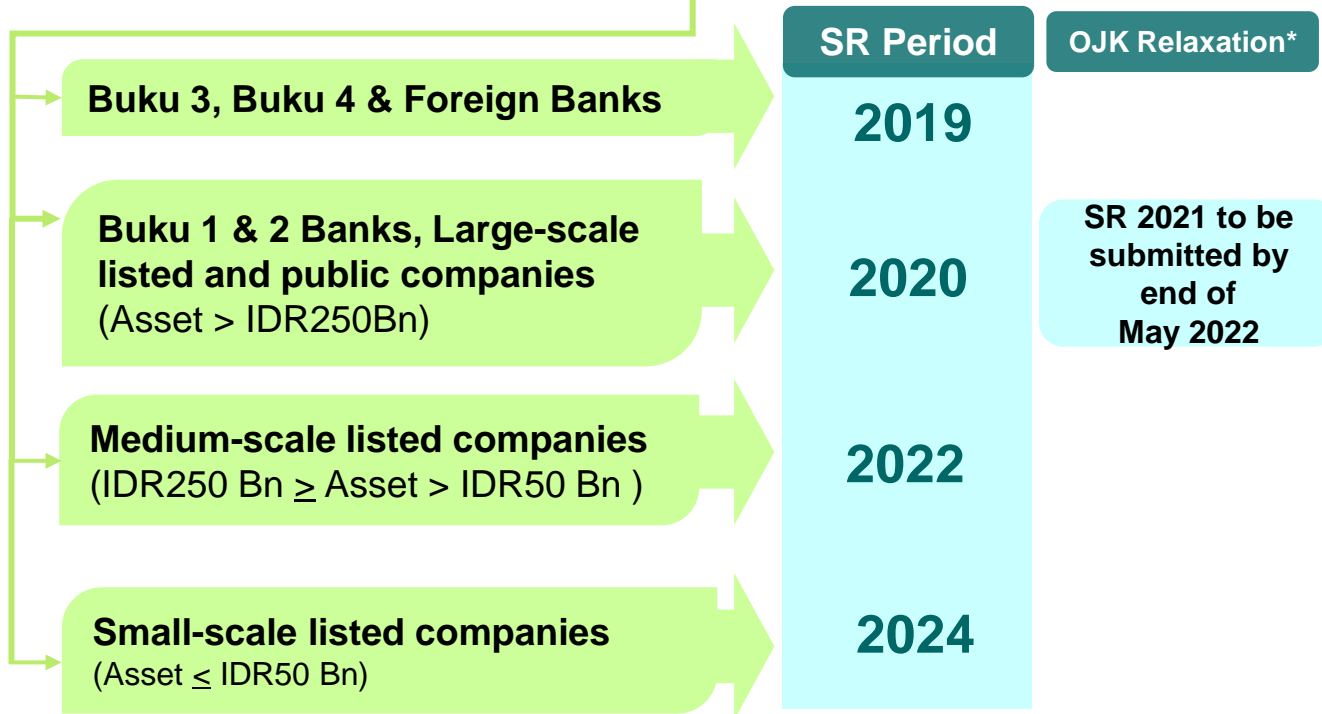
IDX
Indonesia Stock Exchange
Bursa Efek Indonesia
Rule Number I-B
concerning Listing of
Debt-Type Securities

Sustainability Reporting by IDX Listed Companies (1/2)



The timeline for mandatory sustainability reporting by listed companies according to POJK No. 51/POJK.03/2017 is as follows:

Sustainability Report (SR)



Current status of SR submission by listed companies

Category	Number of listed companies	Total number of listed companies	%
SR 2020 - Submitted as of Dec 2021	154	766	20%
SR 2021 - Submitted as of 31 May 2022 (due date for Listed Companies)	556	787	71%
SR 2021 - Submitted as of cut off 30 Jun 2022 (17:00)	601	787	76%

Source: IDXNet

*)The relaxation for the submission of SRs is provided by SE OJK No. 4/2022 [\(Link\)](#)

Sustainability Reporting by IDX Listed Companies (2/2)

Seminars held by IDX in collaboration with GRI to support sustainability reporting by listed companies



2018

ESG Webinars

For PLCs:

- SRO : 9 July 2018 : Sustainability Reporting Awareness
- SRO : 10 July 2018 : How to make Sustainability Reporting
- Investor : 11 July 2018 : Sustainable Investment for investors
- Listed Companies : 13-16 Aug 2018 consist of 7 Batches Sustainability Reporting Awareness

2019

ESG Webinars

For PLCs:

- 11 July – 5 Nov 2019 consist of 4 Batches : IDX-AEI : “Workshop Sustainability Reporting”
- 11-12 Mar 2019 consist of 3 Batches : IDX-GRI : “How to Start and Common Technical Issues in Reporting?”
- 13 Mar 2019 : IDX-IFC-SSE Initiative, UN Global Compact: “Ring The Bell for Gender Equalities”
- 28 Mar 2019 : IDX-GRI : “How to Report Gender Equality, Water, Occupational Health and Safety in Sustainability Report?”
- 25 Apr 2019 : IDX-GRI : “Business Reporting on the Sustainable Development Goals”

2020

ESG Webinars

For PLCs:

- 3 July 2020 : IDX-GRI : Reporting on Emission and Climate Risk
- 9 July 2020 : IDX-GRI : Reporting on Waste with Circular Economy Prospective
- 21 July 2020 : IDX-GRI : SDGs Reporting
- 4 Aug 2020 : IDX-GRI : Preparing Stakeholders Engagement and Sustainability Strategy

2021

ESG Webinars

For PLCs:

- 2-3 Jun 2021 : IDX-GRI-CDP : Beginner Seminar
- 23-30 Jun 2021 : IDX-GRI-CDP : Advance Seminar
- 30 Sept 2021 : IDX-GRI-AEI - Deloitte : CEO Meeting
- 21-22 Oct 2021 : IDX-GRI-CDP : Advance Workshop
- 1 Dec 2021 : IDX-GRI-CDP : Capital Market Workshop
- 27 Jul 2021 : OJK – SRO : ESG Capital Market Summit
- 22 Dec 2021 : IDX-IBCWE : Capital Market Women Empowerment Forum
- 12-13 Oct 2021 : IDX-Bappenas : Support Workshop Kerja Sama dengan Bappenas : Penyusunan RAN SDGs

2022

ESG Webinars

For PLCs:

- 23 Feb 2022 : IDX-GRI-AEI-Deloitte : CEO Meeting
- 1 Mar 2022 : IDX-IGCN : Launching SDG 16 Business Framework & Reporting
- 8 Mar 2022 : IDX-IGCN : Consultation Class 1 - Business and Human Rights, Women Rights, Child Rights
- 15 Mar 2022 : IDX-IGCN : Consultation Class 2 - Corruption, Bribery, Illicit Financial Flow
- 22 Mar 2022 : IDX-IGCN : Consultation Class 3 - Transformative Governance
- 30 Mar 2022 : IDX-GRI-CDP : Masterclass Environmental Reporting
- 21 Apr 2022 : IDX-IBCWE : Webinar Rising to The Top Leadership in Executive Position in IDX200
- 31 May 2022 : IDX-GRI-IBCWE : Masterclass Gender Reporting
- 8 Jun 2022 : IDX-IIF : CEO Sharing Session - “Penerapan ESG di Pasar Modal Indonesia”
- 25 May & 22 Jun 2022 : IDX-SSE UN-IFC-CDP : Task Force on Climate-Related Financial Disclosures

ESG Microsite (<https://esg.idx.co.id/>)



The **ESG Microsite** presents information related to sustainability aspects and the principles of Environmental, Social and Governance (ESG), completed **with virtual showcases of ESG practitioners from the Indonesia Listed Company that can be refer as role models and benchmark for business players in Indonesia.**

MAIN CONTENT FROM ESG MICROSITE



ESG AT A GLANCE



ESG STAR LISTED COMPANIES

1. PT AKR Corporindo Tbk (AKRA)
2. PT Bank Central Asia Tbk (BBCA)
3. PT Bank Mandiri Persero Tbk (BMRI)
4. PT Bank Negara Indonesia (Persero) Tbk (BBNI)
5. PT Bank Rakyat Indonesia (Persero) Tbk (BBRI)
6. PT Bumi Serpong Damai Tbk (BSDE)
7. PT Semen Indonesia (Persero) Tbk (SMGR)
8. PT Unilever Indonesia Tbk (UNVR)



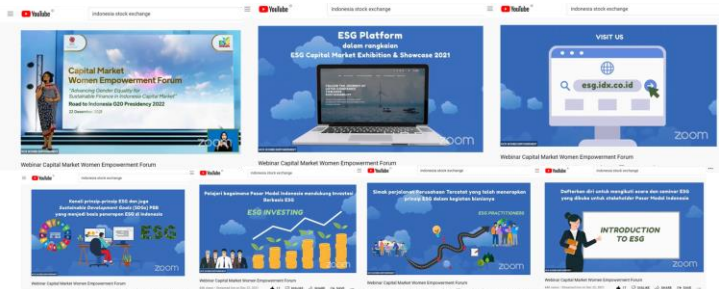
EVENTS



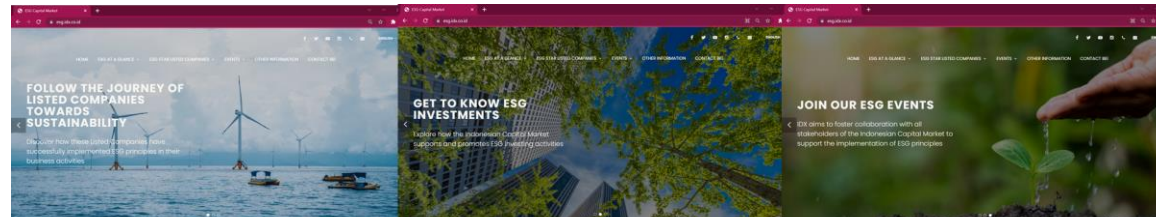
OTHER INFORMATION

LAUNCHING ESG MICROSITE

22 December 2021



ESG MICROSITE



Go to ESG Platform



ESG Focus Going Forward



Carbon Trading
Start Development : 2023



ESG Scoring on IDX Website
Q4 2022



ESG Showcase & Exhibition
(Capacity Building)
(2017 - on going)



End of Document