



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:



Social Investment Indonesia

 socialinvestment.id

 Arief (0877-5570-7171)

   Social Investment Indonesia

Plenary-6: ESG: Goes Beyond Sustainability?

8 DECEMBER 2022

13.00 - 16.00 WIB

Narasumber:



Riki Frindos

Chair of the Executive Board
KEHATI Foundation



Dr. Rachman Kurniawan

Manajer Pilar Pembangunan Lingkungan
Sekretariat Nasional SDGs



Rizkiasari Yudawinata

Sustainable Finance Program Lead
The World Wildlife Fund



Jalal

Chairperson of Advisory Board
Social Investment Indonesia



Purnomo

Senior Advisor
Social Investment Indonesia



Online with:*



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Social Investment Indonesia



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ESG

HOW SUSTAINABLE FINANCE IS
SHAPING THE FUTURE OF BUSINESS

ISIF – 8 DECEMBER 2022



Bridging The Capital Market With Sustainable Actions

RIKI FRINDOS, SCR, CESGA

CHAIR OF THE EXECUTIVE BOARD – KEHATI FOUNDATION

COMMISSIONER – PT MANDIRI INVESTASI

Riki Frindos, SCR, CESGA



KEHATI



ALAM LESTARI UNTUK MANUSIA
KINI DAN MASA DEPAN ANAK
NEGERI

Established in 1994 by several national figures led by Prof. Dr. Emil Salim, KEHATI Foundation aims to mobilize and manage funding and then distribute it in the form of grants, facilitation, consultation and other assistance to support our environmental programs across Indonesia. Our source of funding comes from various donors, incl. international multilateral and bilateral agencies. Our program and operation are also supported by an endowment fund.

We have raised, managed and distributed over US\$ 250 million in grants and other supports to hundreds of local CSOs in 31 provinces in Indonesia



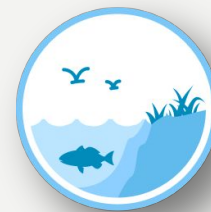
KEHATI's Four Areas of Intervention



FORESTRY



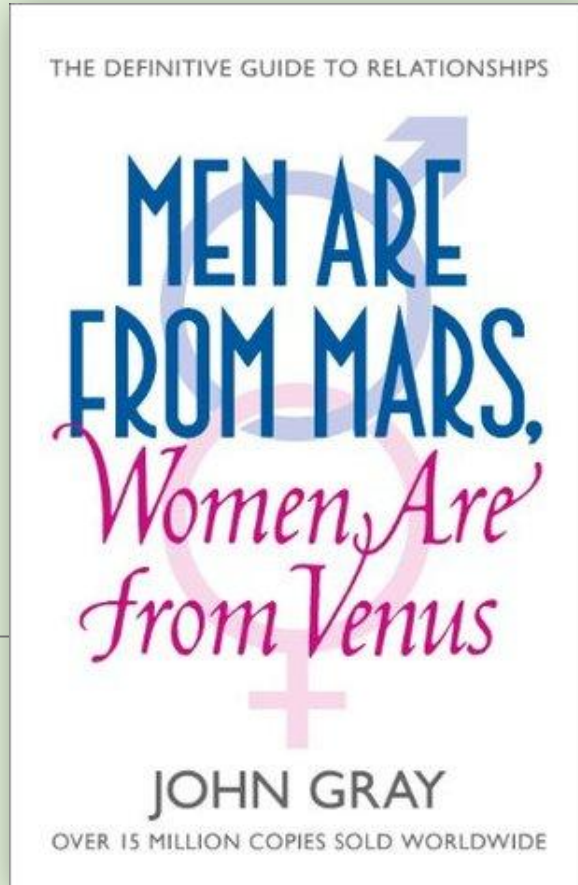
AGRICULTURE



MARINE



SUSTAINABLE INVESTMENT



We are on a mission of bringing the Martians and the Venusians together

INVESTORS ARE FROM MARS, NGOs ARE FROM VENUS



Foster business, economic
growth and prosperity
or...Bloodsucking capitalists?

distance = distrust



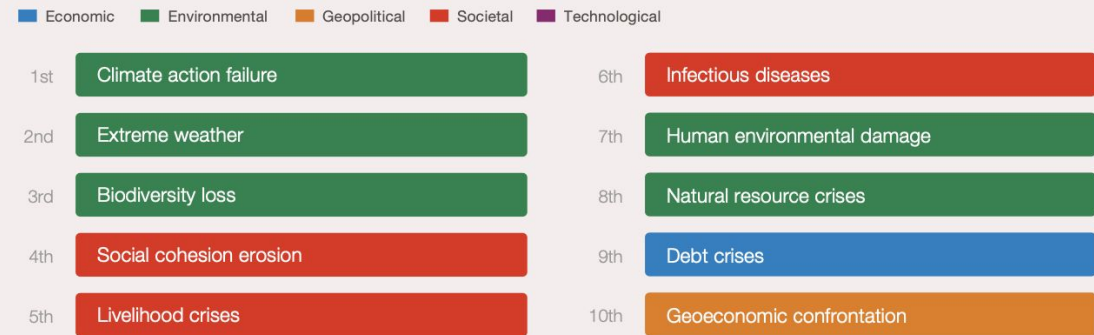
Defend justice, protect people
and the planet earth
or...Jealous losers?

In reality, we live in the same planet, we share its problem, the existential threat to humanity



TRIPLE PLANETARY CRISIS

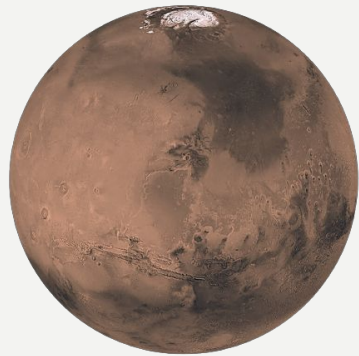
“Identify the most severe risks on a global scale over the next 10 years”



Source: World Economic Forum Global Risks Perception Survey 2021-2022

environmental crisis, social challenges, are now at the top of the list of business, financial, and political leaders

let's move to the middle for the sake of our only home **.planet earth.**



INVESTOR =
FINANCIAL RETURN



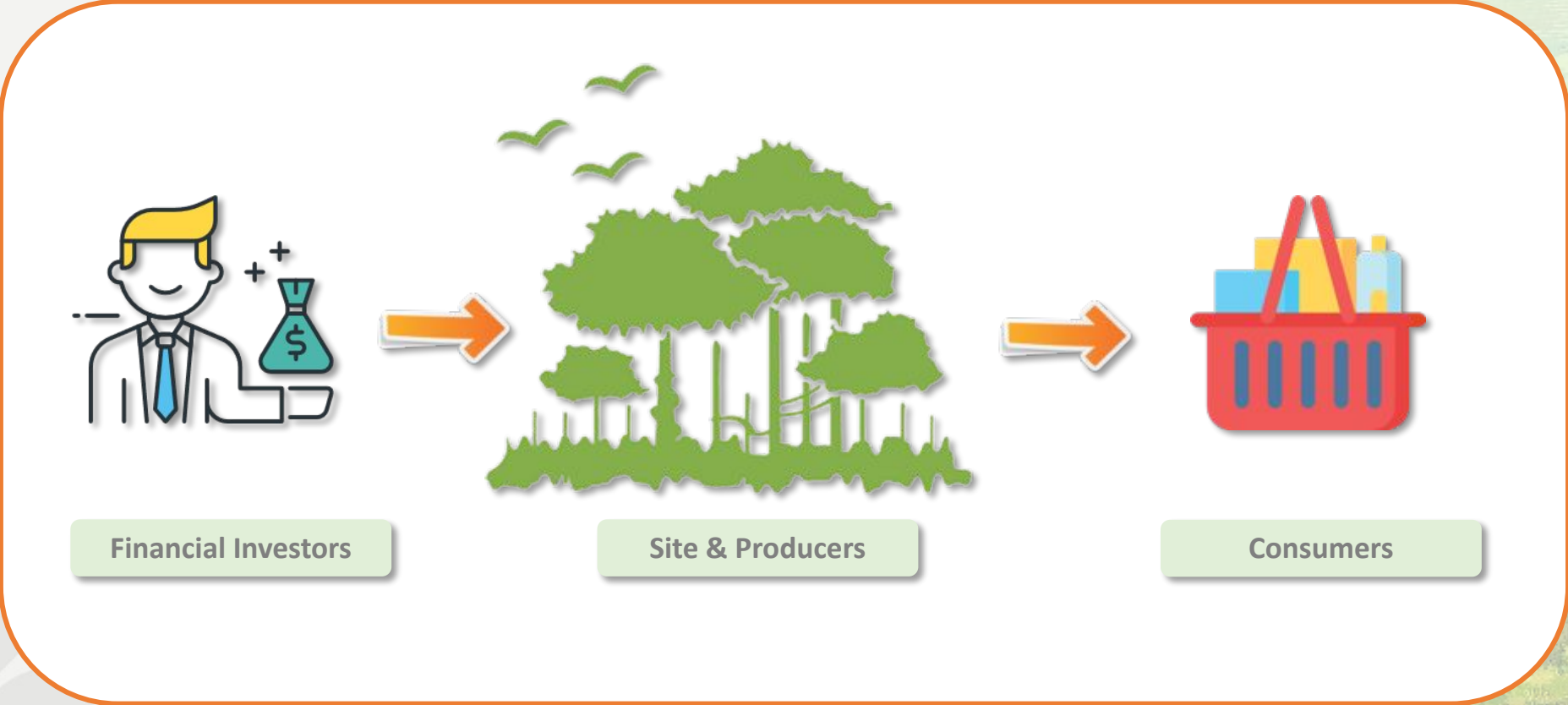
SUSTAINABLE INVESTMENT =
FINANCIAL RETURN + IMPACT

1. Do No Harm
2. Do Good



NGO = IMPACT

REACHING OUT TO INVESTORS IS A NATURAL EXTENSION FOR KEHATI



KEHATI INITIATIVES ON SUSTAINABLE INVESTMENT

COMMERCIAL
INVESTMENT



financial return

1

DO NO HARM

- a. Encouraging investors and companies to adopt ESG: SRI KEHATI, etc.
- b. Facilitating ESG funds



2

DO GOOD

- a. Grooming our selective grantees to be commercially viable
- b. Encouraging investor to invest in impact business
- c. Setting up an impact fund

PHILANTHROPIST



impact

Kehati As Investor
(Through Our Endowment Fund)

Kehati As Non Profit
Organization

KEHATI: PIONEERING ESG INVESTING IN INDONESIA'S CAPITAL MARKET



In 2009, collaborating with Indonesia Stock Exchange, KEHATI launched **SRI KEHATI Index** — Sustainable and Responsible Investment equity index, the first ESG index in Southeast Asia.



KEHATI screens and assess hundreds stocks in IDX and picks the top 25 in terms of **ESG performance**, and create an Index for them, ie. SRI KEHATI Index

Mobilizing Capital to ESG Friendly Companies in IDX

KEHATI collaborates with Fund Management Companies to promote ESG investment in Indonesia:

- Fund Managers launch and sell ESG mutual fund to the investors, and invest the fund to the ESG stocks selected by KEHATI (e.g. stocks within SRI KEHATI Index)
- The Fund Managers share parts of the mgt fees and donate it to KEHATI which then use it in various environmental and social programs

WHEN NGO AND CAPITALIST WORK HAND IN HAND

- In 2014, the first ESG mutual fund (ETF) in Indonesia was launched in Indonesia, a collaboration between KEHATI and Indopremier
- Ramping up our ESG activities significantly since 2018
- Today, KEHATI is collaborating with 12 fund managers in Indonesia



THE LIST OF OUR FUND MANAGER PARTNERS

1. BNP Paribas Asset Management
2. Batavia Prosperindo Aset Manajemen
3. Sucorinvest Asset Management
4. Allianz Global Investors AM Indonesia
5. Ayers Asia Asset Management
6. Indo Premier Investment Management
7. Insight Investments Management
8. Panin Asset Management
9. Samuel Aset Manajemen
10. Sinarmas Asset Management
11. STAR Asset Management
12. Syaendra Capital
13. BNI Asset Management



SRI KEHATI, FOOD SECURITY & CLIMATE ADAPTATION IN FLORES ISLAND

Program: Revitalize long-abandoned sorghum to enhance the local community food security and diversification in the face of growing climate change threat to climate-prone islands of East Nusa Tenggara

Source of Funding: Donation from shared management fees of Reksadana SRI KEHATI Funds



coverage

- 35 villages, 19 district, 6 regency, 3 main island: Flores/Solor/Lembata, > 300 ha of farming area, > 1000 farmers (of whom 60% are female)

activities

- Seed development and 'reinvention', cultivation, post-harvest processing, product and (local) market development, by-product development, consumption campaign
- Capacity building of farmers & local institutions

Sorghum Farming



Sorghum & Community



Sorghum Campaign in Jakarta



THE GOALS OF ESG KEHATI PROGRAM



To be the benchmark for ESG friendly company performance in capital market



To encourage and motivate listed companies to integrate sustainability into their business and operation



To facilitate investors to invest in companies that are more environmentally and socially friendly, and with stronger corporate governance practice



To provide the opportunities to investors in capital market to directly participate in sustainability and climate action on the ground

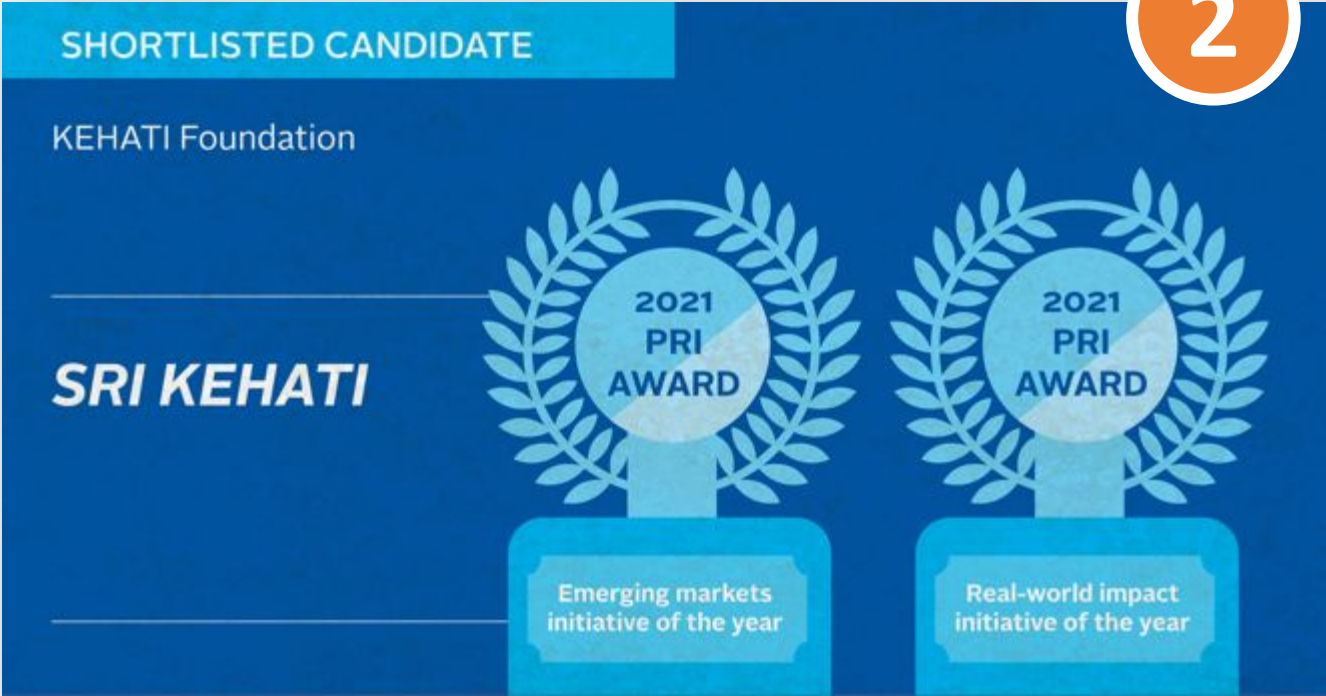
The ESG Program of KEHATI Earns GLOBAL Recognition

1

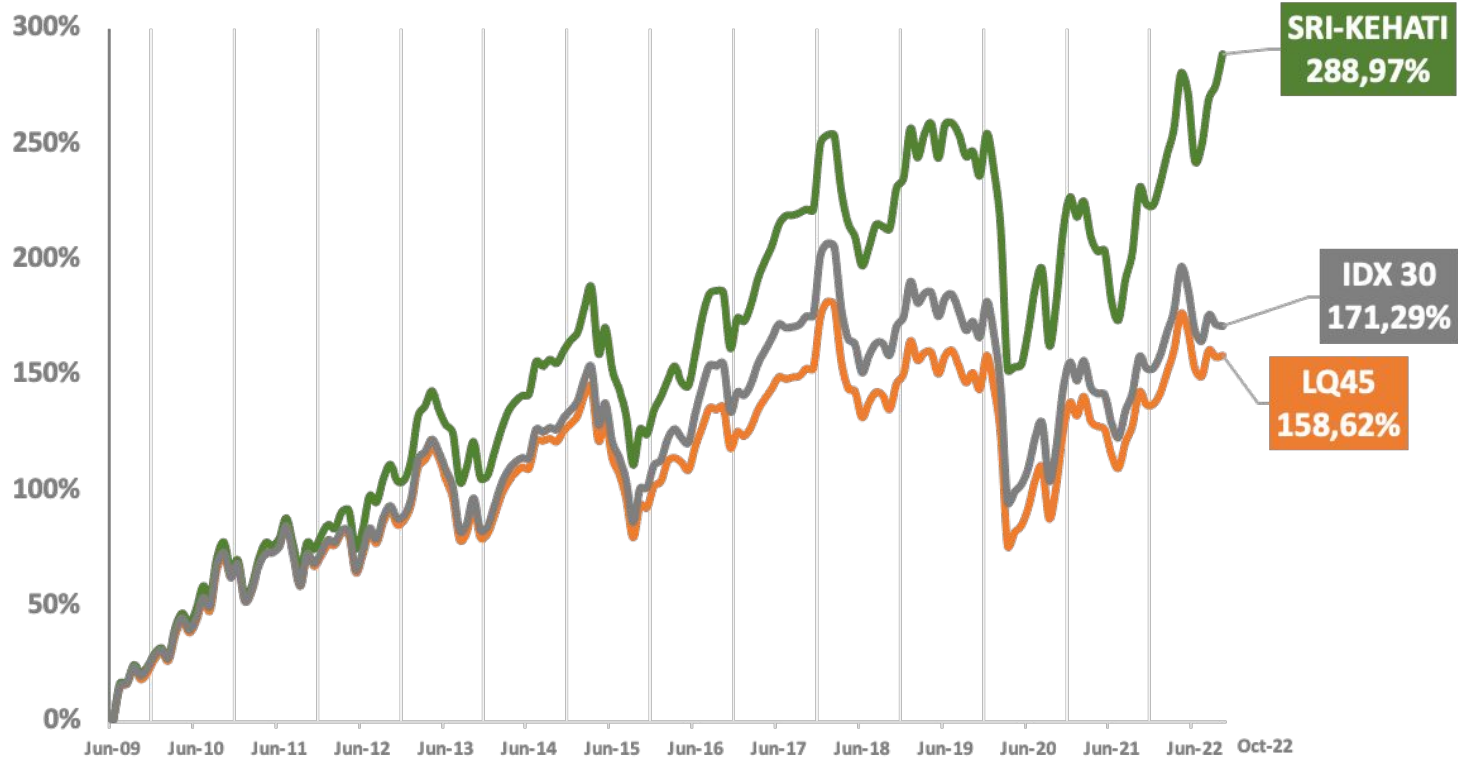


Co-Winner with BNP Asset Management

2



SRI KEHATI PERFORMANCE SINCE INCEPTION



(Jun 2009 – Oct 2022, price only)

* Past performance is not indicative of future results

GLOBAL RESEARCH CONFIRMS THAT ESG ADDS VALUE TO CORPORATE AND PORTFOLIO PERFORMANCE

A study of relationship between ESG performance and financial performance in more than 1000 research papers published between 2015 and 2020, researchers from the NYU Stern have uncovered the existence of strong correlation between the two (Whelan et al., 2021).

■ Positive (56%) ■ Neutral (29%) ■ Mixed (9%)
■ Negative (6%)



% of studies looking at the relationship between ESG performance and CFP, per results

■ Positive (32%) ■ Neutral (26%) ■ Mixed (28%)
■ Negative (14%)



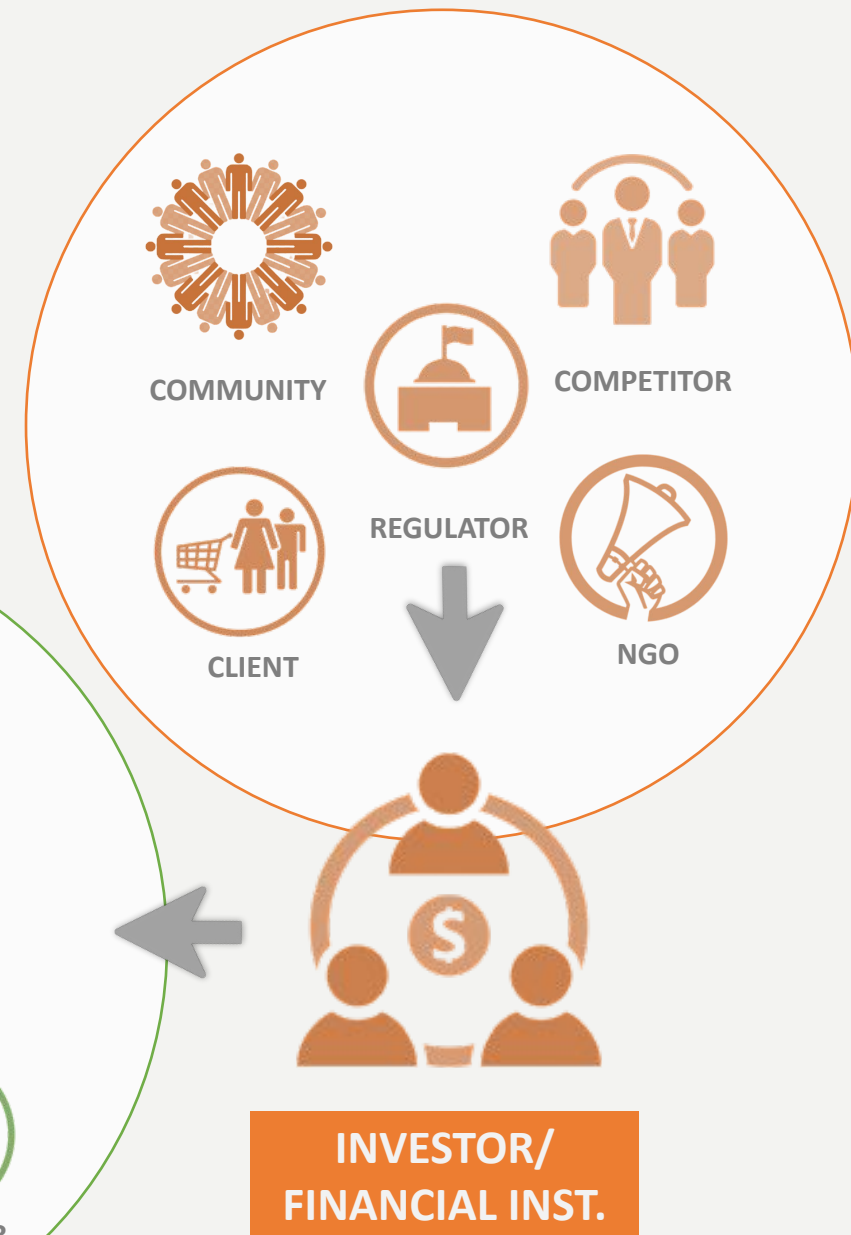
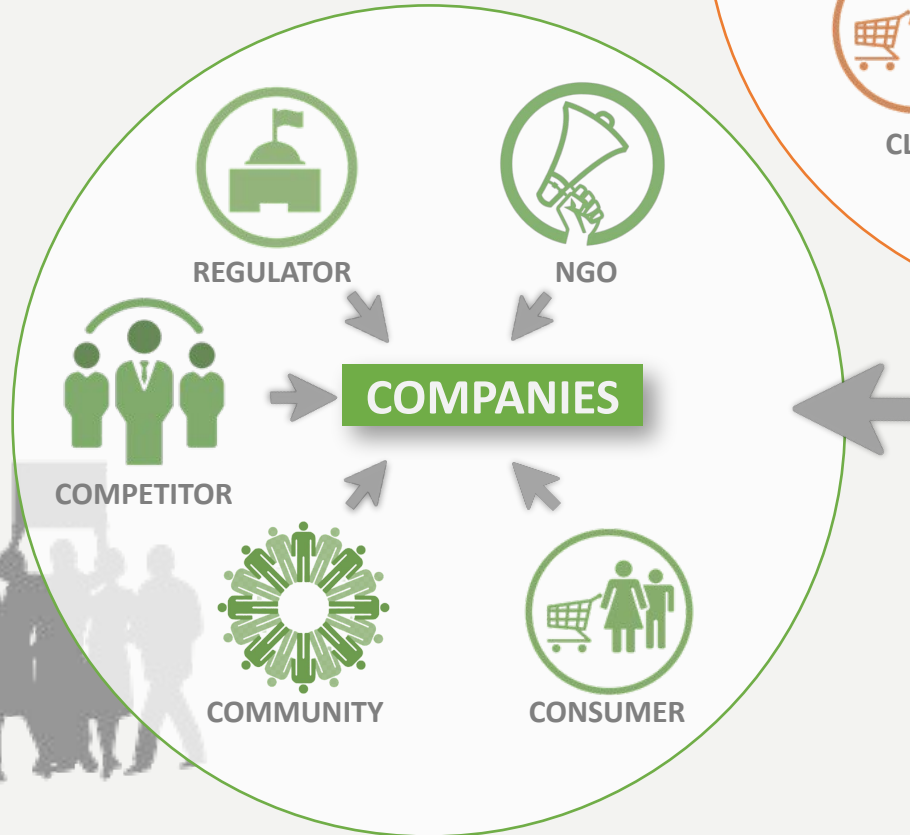
% of studies looking at the relationship between ESG performance and investment performance, per results

Data from: Whelan et. al (2021)

FROM COMPANIES TO INVESTORS

- AND BACK TO COMPANIES EVEN STRONGER!

- Traditionally, NGOs and public focus their pressure to corporate sectors re. environmental and social issues
- In recent years, it is increasingly directed to investors



ABOUT



Riki Frindos, SCR, CESGA

Riki Frindos joined KEHATI Foundation in 2018 as the Executive Director and the Chair of the Executive Board. Prior to joining KEHATI he had built a career for more than 20 years in the capital market, in Jakarta and Singapore. He was the CEO and Chief Investment of PT Eastspring Investments Indonesia from 2011 to 2017, and, previously, the Investment Director with the Global Macro team of Eastspring Investments Singapore for more than six years. Currently, he is also the Commissioner of PT Mandiri Manajemen Investasi, and the Non-Executive Director of Mandiri Investment Management Singapore Pte. Ltd., both are parts of Bank Mandiri Group.

Riki is a certified Sustainability and Climate Risk (SCR) by Global Association of Risk Professionals, and Certified ESG Analyst (CESGA) by European Federation of Financial Analysts Societies, as well as Chartered Alternative Investment Analyst (CAIA) and Certified Financial Risk Manager (FRM). He graduated from Bandung Institute of Technology (ITB) majoring in Electrical Engineering, and also studied Economics in Padjadjaran University.