Asia Capital Forum AGM 2018
Capital Market Commitment on SDGs

Bali, 2 November 2018

Y.W. Junardy
President, Indonesia Global Compact Network
Commissioner, PT. Rajawali Corpora
Voluntary movement, Corporate Leaders, Academic Institutions and NGOs in the world, who are committed to implement the UN Global Compact 10 principles and supporting the UN program

“I propose that you, the business leaders… and we, the United Nations, initiate a global compact of shared values and principles, which will give a human face to the global market.”

Kofi Annan
World Economic Forum, 1999

“I have seen first-hand the power of the UN Global Compact’s Ten Principles on human rights, labour, environment and anticorruption. They are helping thousands of companies contribute to sustainability.”

Ban Ki-moon
UN Global Compact Leaders Summit

“Since there can be no poverty eradication without generation of wealth, we should further promote the UN Global Compact, highlighting the benefits of corporate responsibility.”

Antonio Guterres,
UN Secretary-General
Linking UNGC 10 Principles and SDGs

**THE TEN PRINCIPLES OF THE UNITED NATIONS GLOBAL COMPACT**

**HUMAN RIGHTS**
1. Businesses should support and respect the protection of internationally proclaimed human rights; and
2. Make sure that they are not complicit in human rights abuses.

**LABOUR STANDARDS**
3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
4. The elimination of all forms of forced and compulsory labour;
5. The effective abolition of child labour; and
6. The elimination of discrimination in respect of employment and occupation.

**ENVIRONMENT**
7. Businesses should support a precautionary approach to environmental challenges;
8. Undertake initiatives to promote greater environmental responsibility; and

**ANTI-CORRUPTION**
10. Businesses should work against corruption in all forms, including extortion and bribery.

For a More Sustainable and Inclusive Global Economy
UNGC Partners and Collaborating Groups for Action Platforms

- VOLANS
- CERMAQ
- CEIJA
- C
- UNEP
- covestro
- equinor
- PA
- GRI
- ILO
- UNIVERSITY OF Southampton
- BRIDGE COLLABORATIVE
- CMO NETWORK
- gard
- WORLD RESOURCES INSTITUTE
- UN GLOBAL COMPACT
- Network Indonesia
- The CEO Water Mandate
- Pri Principles for Responsible Investment
- Pacific Institute
- UNICEF
UNGC Initiatives - The Action Platforms

Caring for Climate

Partners:

Global Reporting Initiative™

BUSINESS CALL TO ACTION

Sustainable Stock Exchanges Initiative

Food and Agriculture Business Principles

Women’s Empowerment Principles
## 2015-2018 Priorities - SDGs Focus

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**On Progress  *Plan**
Indonesia Global Compact Network - Initiatives

Business for Peace (B4P)
- Civil Rights Fulfillment (2014 – on going)
  - Yayasan Pondok Kasih, TNI AD, Pemda, Kementerian Sosial, Menko PMK and Various Private Sectors
- Football for Peace (2016 – on going)
  - Uni Papua Football Community (Lead) & Kementerian Luar Negeri

UNGP Business and Human Rights
- Training & Workshop on UNGPs (2014 – on going)
  - Twentyfifty Ltd. (UK), SHIFT & ELSAM
- Series of Multi-Stakeholders Dialogues (2015 – on going)
  - Companies, Academic Institutions, NGOs & Government
- EU EIDHR Project (2016 – on going)
  - Oxfam & INFID
  - Save the Children & UNICEF

Water & Sanitation
- Biopores Project (2014 – 2016)
  - Nestle Indonesia, Martha Tilaar Group, Express Group, Rajawali Corpora, and many others Companies and Universities
- Pulau Pari Project I (2017)
- Biosphre Project II (2019)
  - UNESCO, APP Group, LIPI & Habitat for Humanity Indonesia
IGCN Initiatives

**Business Ethics & Governance**
- Alliance for Integrity (Afln) (2016 – 2018)
  - GIZ (Lead), IBL, TII, Allianz (Co-Lead), Merck Group, Siemens, and many others
  - Yayasan Bhumiksara (lead), Unika Atma Jaya, KPK, Wahid Foundation

**Entrepreneurship**
- WOW Wonderful Start Up - Tourism
  - ICSB (Lead), IMA, Menpar

**Women Empowerment**
- Women’s Skills Training (2015 – on going)
- Women Business Forum (2017 – on going)
  - YPK (Lead) & Karya Indonesia Sejahtera
  - IFC, HIPPI and ITC

**Promoting SDGs**
- Business Sustainability Forum 2 (2016)
  - Yayasan Bhumiksara & Unika Atma Jaya

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Global Compact Network Indonesia
Financial Innovation for the SDGs
Responsible investment is an approach to investing that aims to incorporate environmental, social and governance (ESG) factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

**Principles:**

1. Incorporate ESG issues into investment analysis and decision-making processes.
2. Be active owners and incorporate ESG issues into our ownership policies and practices.
3. Seek appropriate disclosure on ESG issues by the entities in which we invest.
4. Promote acceptance and implementation of the Principles within the investment industry.
5. Work together to enhance our effectiveness in implementing the Principles.
Focus in the next 10 years:

- Strengthen, deepen and lead Responsible Investor
- Drive achievements of Sustainable Market
- Contribute to Prosperous and Inclusive Societies
The Sustainable Stock Exchanges (SSE)

Vision:
A world where capital market signals align with public policy goals on sustainable development.

Mission:
To build the capacity of stock exchanges and securities market regulators to promote responsible investment in sustainable development and advance corporate performance on ESG issues.
Number of SSE Partner Stock Exchanges

- 2012: 6
- 2013: 9
- 2014: 16
- 2015: 47
- 2016: 57
- 2017: 68
- 2018Q3: 78

- 78 stock exchanges
- 45,700 companies
- $81 trillion market cap
Number of Stock Exchanges Acting on Sustainability

- SSE Partners Exchanges: 78
- Exchanges training on ESG topics: 48
- Exchanges with sustainability reports: 39
- Exchanges providing written guidance on ESG reporting: 39
- Exchanges whose markets are covered by an ESG index: 35
- Exchanges with mandatory ESG listing requirements: 16
- Exchanges with ESG bond segments: 15
GRI empower decision makers everywhere, through sustainability standards and multi-stakeholder network, to make action towards a more sustainable economy and world.
GRI in Indonesia

Number of Organizations: 126
Number of Reports: 467

Number of Financial Services: 18
Number of Reports: 83

2017 Reports from Financial Sectors:

- Adira Finance
- Bank Rakyat Indonesia
- Bank Bukopin
- Bank Central Asia
- Bank Jateng
- Bank Jatim
- Bank Mandiri Tbk
- BFI Finance
- Bank Negara Indonesia
- CIMB Niaga
- Maybank Indonesia
- OCBC NISP
- Permata Bank
Basis for Implementation of Sustainable Finance:
1. Policy on SF Principles
2. Policy on Increase on SF Portfolio
3. Policy on SF Supervision

Activities:
1. To improve competence about SF for Financial Sector;
2. Baseline survey: to measure the understanding of the financial sector in SF;
3. Coordination and collaboration with the government and stakeholders.

2015 - 2016

Activities:
1. Prepare for sustainable finance policy;
2. Information Hub;
3. Sustainable Finance Awards

Strengthening Resiliency:
Strengthening of risk management and corporate governance in environmental and social aspects.

2015 - 2019: Campaign, Environmental Analyst Trainings, Development of Green Products, Green Bond, Green Index, and Green Insurances, FSIs Access to Global Public Funds, Coordination on SF Policy.

Catalyze the Business Contribution to SDGs

| Assessment by Industry Sector | Identify issues at the workplace (social, environmental)  
Multi-stakeholder dialogues for alternative solutions |
|-------------------------------|-------------------------------------------------------------|
| “Making Global Goals Local Business” (MGGLB) | Facilitate dialogues to come up with innovative business opportunity (can be cross industry)  
Identify and develop business proposal as pilot |
| UNGC Management Tools/Platforms | Promote and conduct training on UNGC Management Tools and Platforms  
Advocate implementation |
| Global/Local Partnership | Initiate Multi-stakeholder Collaborative Projects  
Seek funding to support implementation |
| Support government | Increase role in supporting government for SDGs socialization and planning  
Reporting |
SDGs - A growing Business opportunities

There are plenty of major opportunities/ideas

• Affordable housing opportunity (USD 300 Billion)
• Smart water technology (USD 72 Billion)
• Soilless food production (USD 24.3 Billion)
• Microbial regeneration (USD 5 Billion)

To deliver the goals, we need to scale up

• Unlock at least USD 12 trillion of market opportunities
• Create 380 million new jobs

To build inclusive and stable markets

• 700 million workers in global supply chain
• 150 million children in fields, mines, workshops, rubbish dumps

We need to work out how the opportunities can be turned into business ideas/solutions

Note: Above numbers are global scale, how big is opportunity in Asia?
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