

“Towards Sustainable Business” The 2nd Sustainable Enterprise Performance Conference, 6 - 7 September 2007

For the second time INA together with IAI-KAM organized the Sustainable Enterprise Performance Conference (SEPC) 2007 at the Borobudur Hotel.

The first conference was held in 2005 and was attended by around 200 participants, this conference also marked the first ever Annually Sustainability Reporting Award (ISRA). For the 2nd SEPC, this was the 3rd ISRA with a great significant rise of participants compared to the last two years.

The first ISRA only had six reports from Indonesian companies and at the 2nd ISRA there were a slight rise to 12 reports and this year for the 3rd ISRA more than 17 companies have published their own sustainability report. The great thing is that the companies are more aware of the importance of sustainability reporting to its stakeholders and the quality of the reporting was surprisingly very good. Some companies even applied the GRI G3 Guidelines of sustainability reporting.

Surprisingly for the 3rd ISRA, PT Astra International, Tbk didn't create their best report. This award was given to PT. Kaltim Prima Coal (KPC) which also happens to be their first time ever to develop such a sustainability report. We can see that now more and more Indonesian business people are aware of sustainability.

The 2nd SEPC was not only about giving awards for companies who are already



Keynote Adam Sack from IFC

conducting sustainability reporting but also to provide companies and business community the importance of CSR and Sustainable Development. This time the topic was “Towards a Sustainable Business” in which new opportunities for companies was informed regarding Sustainability and CSR.

The seminar itself was very informative with a large number of presentations not only from the government but also from international financial institutions and corporations. The presentation of the Ministry of Finance was targeted at the importance of financial regulations in regards to Climate Change. Here we can see that even Financial Markets are affected by the Climate Change and that there is a very large risk in the macro-economy if there is nothing could be

done to lower the influence of the climate change. In the presentation they clearly stated the various tools regarding the Clean Development Mechanism (CDM) and the Carbon Markets.

Another interesting presentation was made by Mr. Erry Riyana Hardjapamekas from the Corruption Eradication Commission (KPK) which presented the importance of Corporate Governance as a foundation of sustainable performance of a company. According to him, without the good corporate governance there will be no sustainable business.

After the presentations of the Ministries there were presentations from PA CSR and HSBC regarding the importance of Sustainable Development, the constantly



Rio Praaning Prawira Adiningrat from PA CSR

awareness of the market regarding sustainable practices for a company and these practices should be best informed by a sustainability report.

The second day of the conference was more in the topic of whether CSR should be an obligation or not. The Indonesian parliament had recently agreed upon to make CSR an obligation in its new Company Law UU no.40 year 2007. The specific article 74 which contains the obligation of CSR to companies involved in natural resources is still controversial until this day.

Companies find the obligation burdening and in the presentation of CSR Asia it clearly indicates that CSR cannot be put as a law because it is constantly changing

by time and putting a law on CSR will hinder the development of CSR and also will make a company not voluntarily change its corporate culture into a more social and environmental friendly company. But more to the fact that it is told to be more social and environmental friendly company. This will hurt CSR more than ever and it will not reach the goal of sustainability.

After the session on CSR as an obligation, presentations were made on the Clean Development Mechanism. Most interesting was the fact that many Indonesians are not that familiar with CDM although CDM can be a new source of investment for a company which is active in a number of activities. Presentations were made by CDM

project financiers such as Ecosecurities and Sindicatum and also by Fortis Bank which happens to be the most active bank financing CDM projects.

According to the Designated National Authority (DNA) of Indonesia, there are not many CDM projects conducted in Indonesia. Only nine CDM projects have been verified in which 23 are still under process of approval compared to Malaysia who already has about 30 projects verified. It shows us that Sustainability and all its initiative are not largely informed through the Indonesian business community. At the moment they are all concerned about

CSR which is only a part of the main goal of a company to become sustainable.

The conference also held exhibitions of companies who are already conducting CSR and Sustainability Reporting. It gave them the opportunity to show their projects to the participants. ■



Participants



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