



PT Rimba Makmur Utama

United Nations Global Compact
Communication
on Progress

2021

Table of Contents

Page 3

CEO STATEMENT OF SUPPORT

Page 5

COMPANY OVERVIEW

Page 6

CONTRIBUTION TOWARDS THE SDGS

Page 10

PROGRESS TOWARDS THE UN GLOBAL
COMPACT PRINCIPLES

Statement of Support

To our stakeholders:

With Covid-19, we are facing a global pandemic that has major negative impact on people and their livelihoods. From the beginning of the Covid-19 outbreak, our focus has been on ensuring the health and safety of our employees while at the same time making sure that the impact on business operations and the supply chain is managed and limited as much as possible.

In alignment with our efforts in sustainable development, we are pleased to reconfirm our commitment and support of the Ten Principles of the United Nations Global Compact. In this annual Communication on Progress, we describe our actions to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations, as well as our achievements in relation to embedding the UNGC principles. We are proud of our company's progress in this challenging year, but there is still much more work to do. As this report demonstrates, we continue to raise the bar for what we can accomplish—and the speed at which we act.

We actively report on our sustainability progress, through this Communication on Progress. We also commit to share this information with our stakeholders using our primary channels of communication.



PT Rimba Makmur Utama

Dharsono Hartono
CEO, PT Rimba Makmur Utama

The Ten Principles

The UN Global Compact asks companies to embrace, support and enact, within their sphere of influence, a set of core values in the areas of human rights, labour standards, the environment, and anti-corruption. The principles enjoy universal consensus and are derived from:

- The Universal Declaration of Human Rights
- The International Labour Organization's Declaration on Fundamental Principles and Rights at Work
- The Rio Declaration on Environment and Development
- The United Nations Convention Against Corruption

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: Make sure that they are not complicit in human rights abuses.

Labour

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining

Principle 4: The elimination of all forms of forced and compulsory labour;

Principle 5: The effective abolition of child labour; and

Principle 6: The elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: Undertake initiatives to promote greater environmental responsibility; and

Principle 9: Encourage the development and diffusion of environmentally friendly technologies.

Anti-Corruption

Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Reducing Deforestation and Growing Economic Opportunities in Borneo

PT Rimba Makmur Utama develops and manages the Katingan Mentaya Peatland Restoration and Conservation Project. The project is located between the Mentaya river to the west and the Katingan river to the east, in Central Kalimantan, Indonesia. Covering 157,875 hectares of relatively intact peat swamp forest, the project is based on the premise that we can save large areas of peat swamp forest, offer local people sustainable sources of income, tackle global climate change - and base this on a solid business model. Our project is defined by a result-oriented, bottom-up and transparent approach to land use and conservation in a part of the world where this is urgently needed. Protecting tropical forest from deforestation and degradation is critical to preventing further climate change.

The project is currently the biggest Verified Carbon Standard (VCS) approved REDD+ project in the world. It generates an average of 7.5 million triple-gold certified carbon credits annually; equivalent to taking 2 million cars off the road each year.



Our Work and the Sustainable Development Goals

Our company supports the achievement of the SDGs and has carefully mapped our activities and measurable achievements to the Indonesian SDG indicators so that they can be incorporated at the national level. This led to the identification of nine SDGs that our company will directly contribute. Here however, we present short stories of our project activities that reflect our work in supporting the SDGs:



Sewing for Women's Empowerment

Women are continually at risk of lower income and economic instability than their male counterparts. Reasons may vary, though the solution remains firm; measures to ensure equal opportunities for work are needed. Hence prompted the partnership between Katingan Mentaya Project and the Village Government of Baun Bango, Central Kalimantan, in empowering women with skills in sewing since 2020.

In December of 2020, 12 women convened at Baun Bango Village Hall to be given basic knowledge in the art of sewing and fabrics. The meeting then kickstarted Katingan Mentaya Project and the local government's 20-day women's empowerment programme through sewing in order to increase local women's skills and independence. "The programme is currently being funded by Katingan Mentaya Project's community development fund as well as Baun Bango's village fund," Suandri, staff of KMP's Forest Village Community Empowerment, explained further.

After a short period of break, the programme's second stage has recommenced on Saturday, June 5th 2021. In the second stage of training, the original 12 participants will be trained in more advanced sewing techniques, including cutting fabrics, how to utilize electric and manual sewing machines, as well as seaming clothes and masks. After training ends, the women, in teams of 4, will also be provided financial assistance and a sewing and overlock machine as a form of continued support.

In the long run, the womens' work will not only benefit their individual incomes, but also the village's independence. "Each year, the Baun Bango Village Government procures work uniforms from larger, neighbouring cities, such as Kasongan and Palangkaraya," explains Suandri, "One of the women who's participating in the programme then proposed the local government to order clothing from them instead and the government approved."

Elpia, one of the participants, admitted how the programme has helped her throughout the pandemic. "After participating in this training I will try to open my own business," she concludes, "That way, the knowledge I've received will also benefit my family and myself."



Bapinang Village's Tosa Ambulance

Over the years, access to health centres in Bapinang Village, Central Kalimantan, has been marred with infrastructure problems. The roads that connect villages to adequate healthcare are often off-beaten and nonfunctional for four-wheeled vehicles, and as such, hindering ambulances that are integral to prospective patients from going through. Acknowledging the importance of a working, dependable transport system to overcome such infrastructural deficiencies, Katingan Mentaya Project has facilitated one Tosa ambulance for Bapinang Village's Public Health Centre, or Puskesmas.

A Tosa is a three-wheeled motorcycle that resembles a miniaturized truck. The vehicle utilizes motorcycle parts as its head and a functional pickup area in its hinds as a way to accommodate or transport a variety of things, including people. Before the Tosa ambulance became available for use, Bapinang Village's Puskesmas relied heavily on the neighbouring Pulau Hanaut's Tosa, which was also an aid given by KMP last April.

"With this Tosa ambulance, Bapinang Village's Puskesmas is now able to respond quickly to patients and pregnant women in need of urgent attention," says Anand Junaidi, the Head of Pulau Hanaut Sub-District's Public Health Centres, "Villagers have also found the service helpful as it opens more doors to quality healthcare for them."

The Tosa ambulance is currently available for service 24 hours a day, each day of the week. This aid is one of Katingan Mentaya Project's many efforts in alleviating local community's access to healthcare in the past year. In addition to donating a Tosa ambulance unit for Pulau Hanaut Puskesmas past April, KMP has also facilitated a floating clinic in Serambut Village, an exercise program for the elderly in Hantipan Village, as well as a training for health cadres in Pulau Hanaut District.

In the future, Anand hopes that outreach towards villagers may continue and reach further areas. "For villages that are beyond the Tosa ambulance's range, we would one day like to establish another ambulance unit that works like a boat that may reach villages beyond the river," longs Anand.



The Seeds of Business in Pulau Hanaut District

In supporting the rehabilitation of peatlands and the increase of productive land use, Katingan Mentaya Project has distributed thousands of fruit seeds with high economic value to 4 villages within Pulau Hanaut District, East Kotawaringin.

A total of 17,100 seeds from a variety of fruits, including oranges, durians, rambutans, and coffee among others, were distributed to 114 families from 4 villages in Pulau Hanau District, East Kotawaringin. "We distributed the seeds to 20 families in Bapinang Hilir Village, 24 families in Bantian Village, as well as 25 families in Serambut village, and 45 families in Satiruk Village," Yohanes Taka, KMP's Field Coordinator of Forest Village Community Empowerment for South Pulau Hanaut, explained further. The seeds would then be utilized by each family to kickstart their respective fruit plantations.

Laut Sunan, 35, was one of the beneficiaries of the program. "This program has aided my family as well as other families in the village greatly," he explained. Along with helping the villagers economically, the very act of planting fruits of high economic value would then ensure the land's utmost care, preventing and reducing future risks of man-made destruction towards the forest.

In the future, Laut also hopes that the program would include guidance and counseling as well. "We look forward to guidance and direction in cultivating these fruit seeds in order to get even more satisfactory results in the future," he concluded.



UN GLOBAL COMPACT

**How the 10 Principles
Inform Our Work**

Human Rights

PRINCIPLE 1

Businesses should support and respect the protection of internationally proclaimed human rights; and

PRINCIPLE 2

Make sure that they are not complicit in human rights abuses.

COMMITMENT

PT Rimba Makmur Utama recognizes that human rights are an integral part of corporate citizenship and we respect and support the Universal Declaration of Human Rights and the Guiding Principles on Business and Human Rights.

PT Rimba Makmur Utama has a zero tolerance workplace violence policy and prohibits all kinds of violent behaviour including, but not limited to, physical assaults, fighting, threatening, and intimidation. There have been zero incidents of human rights violations, including child labour, slavery, or violations of the rights of indigenous people.

MEASURING OUTCOMES

PT Rimba Makmur Utama has engaged in no human rights abuses and has no outstanding allegations

Labor

PRINCIPLE 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

PRINCIPLE 4

The elimination of all forms of forced and compulsory labor;

PRINCIPLE 5

The effective abolition of child labor; and

PRINCIPLE 6

The elimination of discrimination in respect of employment and occupation.

COMMITMENT

PT Rimba Makmur Utama does not use forced, compulsory or child labor. Our company supports freedom of association and, where applicable, recognizes the right to collective bargaining

PT Rimba Makmur Utama institutes a non-discrimination and equal opportunity policy within our Code of Business Conduct. We support equal opportunities through fair and consistent methods of recruitment, retention, training and compensation. Our recruitment is based on merit, and promotions and transfers are awarded based on performance. We do not discriminate against any applicant for employment or any employee because of age, race, religion, caste, sex, disability, sexual orientation, social or economic status, pregnancy, or origin. Our policy encourages employees to submit any discrimination-related grievances they witness or experience to our HR department.

All employees are given a written contract, regular performance reviews, above market wages and benefits.

PT Rimba Makmur Utama has never violated any national labour laws.

MEASURING OUTCOMES

PT Rimba Makmur Utama establishes relationships with universities and local community-based organizations to attract qualified female, minority and disabled candidates.

PT Rimba Makmur Utama analyzes its hires, promotions, and terminations to determine whether one or more groups are adversely affected by existing processes. Where potential adverse actions are identified, HR investigates and recommends corrective action.

Environment

PRINCIPLE 7

Businesses should support a precautionary approach to environmental challenges;

PRINCIPLE 8

Undertake initiatives to promote greater environmental responsibility;

PRINCIPLE 9

And encourage the development and diffusion of environmentally friendly technologies.

COMMITMENT

Our project area encompasses 149,800ha of land with a total perimeter of 254.12 km. The project area stores vast amounts of CO₂, and plays a vital role in stabilizing water flows, preventing devastating peat fires, enriching soil nutrients and providing clean water. During 2010-2018, the project avoided the emission of 29,866,604 tonnes CO₂.

The project is expected to avoid an average of 7,451,840 tonnes of GHG emissions annually; equivalent to 447,110,760 tonnes of CO₂ over the project's first 60 years.

Our project is fully validated and verified by the Verified Carbon Standard (VCS) and the standards of the Climate Community and Biodiversity Alliance (CCB). It has achieved triple-gold status under the CCB standards on account of its exceptional benefits.

Anti-Corruption

PRINCIPLE 10

Businesses should work against corruption in all its forms, including extortion and bribery.

COMMITMENT

PT Rimba Makmur Utama is committed to achieving high standard of ethical behavior in everything that we do.

"Integrity" is one of our Core Values.