



# Communication on Progress | 2022

United Nations Global Compact

# CEO Statement of Support

To our stakeholders,

We are so proud to share that PT Rimba Makmur Utama is now a Certified B Corporation™! This means we are joining 5,020 companies in 154 industries and 80 countries around the world to make a positive impact. As a Certified B Corporation, we are committed to a higher standard of business practice that creates a positive impact on our community, employees, buyers and the environment.

Since our company joined the United Nations Global Compact, we have strongly supported this initiative, renewing our membership each year because we firmly believe in the principles on which it is based, in the areas of human rights, environment, anti-corruption and labour.

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.

**Dharsono Hartono**  
CEO, PT Rimba Makmur Utama

# Implementing 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. These take the form of ten principles.

**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.

**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;

**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.

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

## 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.

Our company prioritises respect for human rights. We uphold the human rights of our people and our local communities, including vulnerable groups such as women, children and indigenous people.

We publish information that specifically addresses these two principles in:

- Code of Conduct
- Employee's Handbook

## Labour standards

Our people are our greatest asset. We treat all our people fairly, uphold their rights and reward them competitively, in line with their contribution to our success. We believe that it is vital to our business to attract and retain the best people at every level.

All our operations strive to provide clear, attractive career paths and safe, healthy workplaces without discrimination or harassment. We prohibit discrimination based on race, religion, gender, age, sexual orientation, disability, social origin, political or other opinion, or any other bias. We do not tolerate any form of racial, sexual or workplace harassment.

We prohibit all forms of child, forced and compulsory labour.

We recognise and uphold the rights of our people, whatever their location or role, to a safe workplace, freedom of association, job security and development opportunities. We are committed to working honestly and openly.

We publish information that specifically addresses these in:

- Code of Conduct
- Employee's handbook

## Environment

Our flagship project, Katingan Mentaya Project, is an endeavour to protect and restore a 157,875 hectares peat swamp forest in Central Kalimantan.. Through this project, we aim to reduce carbon emissions, protect biodiversity and create sustainable economic development opportunities that improve the lives of rural communities. Our project generates an average 7.5 million triple gold carbon credits annually; equivalent to taking 2,000,000 cars off the road each year.

Our project is home to between 5 and 10% of the global populations of the Bornean Orangutan, Proboscis Monkey and Southern Bornean Gibbon.

In the absence of our project, part or all of the forest area would almost certainly be degraded and converted to plantation forest or non-forest at some point in the future.

## Anti-corruption

Our primary objective is to ensure that we maintain a culture of ethical behaviour and compliance throughout the company. Our company's regulations includes our clear position on bribery and corruption, which is that offering, paying, authorising, soliciting or accepting bribes is unacceptable.

We will not knowingly assist any third party in breaching the law, or participate in any criminal, fraudulent or corrupt practice. We seek to prevent such misconduct through strong leadership, underpinned by internal policies, procedures and controls.

We publish information that specifically addresses this principle in:

- Code of Conduct
- Employee's handbook

# 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 eleven SDGs that our company will directly contribute.



## Climate

Our project holds an estimated half a billion tonnes of carbon, with a total climate impact equivalent to the annual emissions of France. Through performance-based financing, the project keeps this carbon where it belongs: in the ground.

Each tonne of carbon stored in our project becomes a carbon credit. Purchasing and retiring such credits permanently removes them from the market, thereby mitigating climate change and protecting this unique and biodiverse habitat from exploitation. The project is expected to prevent the release of GHG equivalent to almost 450 million tonnes of carbon over the next 60 years.

Contributes to SDGs



## Community

From health and education to infrastructure and development, our project provides a whole spectrum of benefits. Revenue from carbon credits goes directly into local communities, providing opportunities and improving lives through mutually beneficial partnerships.

The project works with 35 villages in the surrounding area, where people are recruited to work in fire patrols and reforestation initiatives. Our project also supports the development of sustainable livelihood enterprises such as coconut sugar production, sustainable bamboo and ecotourism.

All of our staff are Indonesian, with 80% recruited from local communities. The result is a vibrant network of learning, communication and development.

Contributes to SDGs:



# Biodiversity

At 157,875 hectares (an area the size of London), KMP protects one of the largest remaining peat swamp forests in Southeast Asia. It offers a sanctuary to wildlife that has vanished in many other parts of the tropics, including orangutans, pangolins, proboscis monkeys, gibbons and clouded leopards. Here, carbon revenue is helping biodiversity to bounce back.

Contributes to SDGs:



## Our Impact Stories

Through funding, research, investment, training and support, our project is empowering local communities to determine their own path for development. The project helps loggers become forest guardians, supports women in community building efforts and encourages young learners to become leaders. Our programs have helped change the lives and livelihoods of many in the project area. Here are a few of their stories.

### Grant Funds for Village Development

Access to fields and plantations had long been a problem for the farmers of Bantian Village in the Sub-District of Pulau Hanaut in Kotawaringin Timur. The lack of infrastructure made journeys long and slowed production to a trickle. Now, with village development funding from our company, these communities are rebuilding their roads and getting farm production back on track.

Impact:

- Our grant distributed between three areas: Sei.Rungun, Sei.Bantian and Sei.Gerombol
- A variety of other development programmes supported by the grant
- Agricultural access roads repaired, improving connectivity to farming areas
- Participatory Mapping Training provided for villagers

### Microfinance Program for Women-led Businesses

First introduced in 2018, our Microfinance Program provides low-income individuals – especially women – within the project area access to loans so they can start businesses. From local shops and school supplies to farms, cosmetics and bakeries, a wide range of local businesses have taken their first steps with help from the program.

Impact:

- Funding circulated to 300 local businesses
- Various small-scale industries in Mekartijaya Village supported
- Grants used to expand existing businesses and get new projects off the ground

One beneficiary of the program is Linda (35), who runs her own homemade cookie business in Mekartijaya Village. She used the loan to build a signal tower and study area so that school children, teachers and village officials could continue to work and study online during lockdown. The space has become a community hub, helping villagers stay connected with each other and the world outside.

## Strategic Partnership with LIPI for Scientific Research

Officially ratified in March 2021, this two-year collaborative research project will involve hydrological data being taken from our project area and then studied by the Indonesian Institute of Sciences (LIPI). By working together, these two partners aim to improve the protection of peatlands, prevent the release of carbon emissions and improve the welfare of surrounding communities.

Impact:

- Over two years, three scientific papers will be produced
- The project will support research into peat swamp forests, including the development of hydrological models, water balance and non-linear dynamics of ecosystems

## Community Development Program Generate 'Restoration Figures'

Published by PT Hijau Bumi Kita, Forest Digest is a quarterly magazine and news website that encourages public participation in sustainable forestry. In the first edition of 2022, they officially named five 'Restoration Figures' – individuals who excelled in restoration work and forest management during the previous year. All five were members of our community development program; based in villages within the project area, all have worked to uphold the three pillars of our project restoration: conservation, climate resilience and community development.

Impact:

- Training and regeneration projects, helping to restore the forest
- Forest fire patrols established in 34 villages within the project area
- Local economic benefits generated through ecotourism
- Community healthcare supported through investment in a village clinic

## Education for Local Children

As part of community development efforts, we set out to foster literacy, learning and a love of reading for school children, while also using the power of books to address environmental issues. We help local children on their learning journey through a range of book donation schemes, reading rooms and scholarship program.

Impact:

- Two Reading Corner facilities installed in two elementary schools
- Hundreds of books donated to the Rumah Buku installations
- Educational scholarships for elementary, junior high and high school students
- Two comic books published, to raise awareness of peatland fire prevention among 4,000 school children