



PT Rimba Makmur Utama

# UN Global Compact

## Communication on Progress

### 2019

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# Letter of Commitment

## To our stakeholders:

I am pleased to reaffirm PT Rimba Makmur Utama's support of the Ten Principles of the United Nations Global Compact (UNGC) in the areas of Human Rights, Labour, Environment and Anti-Corruption. In this annual Communication on Progress (COP), we describe actions we have taken to continually improve the integration of the Global Compact and its principles into our business strategy, culture and daily operations for the period August 2018 to July 2019.

In addition, the last couple of years, PT Rimba Makmur Utama took steps to contribute to Sustainable Development Goals (SDGs) that align with our business. Recognising the importance of the UN SDGs to the world, and as well as to our mission, we are committed to contributing to nine of the 17 goals.

I am very pleased and honoured to announce that in 2018, PT Rimba Makmur Utama was selected as one of the recipients of Sustainable Business Awards. The award highlights the importance of business sustainability and recognises organisations that embed it into their principles, practices, and operations, as well as those achieving positive social and environmental impact. Receiving this prestigious award has been a major milestone as we continue our journey.

We, PT Rimba Makmur Utama, are committed to continue embracing and implementing the ten United Nations Global Compact Principles through our daily professional activities.

Sincerely yours,



PT Rimba Makmur Utama

**Dharsono Hartono**

CEO, PT Rimba Makmur Utama



# About us

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 149,800 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 of the road each year .



# How we implement the Ten Global Compact Principles

	PRINCIPLE	COMMITMENT
<b>HUMAN RIGHTS</b>	<ol style="list-style-type: none"> <li>1. Businesses should support and respect the protection of internationally proclaimed human rights;</li> <li>2. and make sure that they are not complicit in human rights abuses.</li> </ol>	<p>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.</p> <p>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.</p>
	<ol style="list-style-type: none"> <li>3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;</li> <li>4. the elimination of all forms of forced and compulsory labor;</li> <li>5. the effective abolition of child labor;</li> <li>6. and the elimination of discrimination in respect of employment and occupation.</li> </ol>	<p>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.</p> <p>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.</p> <p>All employees are given a written contract, regular performance reviews, above market wages and benefits.</p> <p>PT Rimba Makmur Utama has never violated any national labour laws.</p>

# How we implement the Ten Global Compact Principles

	PRINCIPLE	COMMITMENT
<b>ENVIRONMENT</b>	<p>7. Businesses should support a precautionary approach to environmental challenges;</p> <p>8. Undertake initiatives to promote greater environmental responsibility;</p> <p>9. And encourage the development and diffusion of environmentally friendly technologies.</p>	<p>Our project area encompasses 149,800 ha of land with a total perimeter of 254.12 km. The project area stores vast amounts of CO<sub>2</sub>, 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 CO<sub>2</sub>.</p> <p>The project is expected to avoid an average of 7,451,840 tonnes of GHG emissions annually; equivalent to 447,110,760 tonnes of CO<sub>2</sub> over the project's first 60 years.</p> <p>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.</p>
<b>ANTI-CORRUPTION</b>	<p>10. Businesses should work against corruption in all its forms, including extortion and bribery.</p>	<p>PT Rimba Makmur Utama is committed to achieving high standard of ethical behavior in everything that we do.</p> <p>"Integrity" is one of our Core Values</p>

# Employee Health and Safety

Worker's safety remains a priority which conforms with the recruitment of the labor law, UU No. 13/2003. We apply a strict Health and Safety Management System as an essential working condition at all levels of our business units. Occupational safety and health are stipulated in the company safety regulation and include:



Providing workers with a first aid kit including anti-venom cream and insect repellent



Providing navigation and communication equipment such as GPS, compass and handheld transceivers



Enforcing a buddy system (minimum two persons in a group for all field activities)



Providing standard safety equipment such as microfiber mask, rubber boots, heavy-duty gloves, uniform, hat, harness, survival kit, portable water bottles/bags, and life jacket



Providing additional logistics such as fuel, propeller for a boat, and water and meals enough for three extra days



Providing proper training on safety procedures, evacuation, communication equipment use and shelter making in order to ensure worker safety and mitigate potential risks inherent to certain field activities such as fire suppression and surveys

PT Rimba Makmur Utama has and will continue to provide safety training and equipment as describe above. Training is provided prior to the start of any activity so that it can be specific to the risks associated with that activity.

# Investing in local communities

Local communities are active participants in the project: as decision makers, employees, and through a broad range of sustainable development initiatives. We hold regular meetings with community, on a wide variety of subjects. We have held 350 meetings in a year, attended by over 5,500 people. The subjects of the meetings ranged from the very general (project plan, publication of monitoring report, project legal basis) to the very specific (individual village participatory plans, fire management, agroforestry development, etc).

Our project runs a community development program across 34 villages that is intended to encourage people to take part in the development of ecosystem restoration plans. The program optimises benefits for the community and other local stakeholders that are expected to have an impact on increasing the income of the target groups. This could eventually reduce activities which are not environmentally-friendly such as logging and conversion for plantations and will contribute to poverty reduction. In our cooperation with communities, we use three principles: responsibility, transparency and equity. We draw an agreement with the community institution, ensuring that both parties are equally positioned. The cooperation program is based on the village plan drawn up by the communities themselves and accompanied by an independent agency. The program selection is based on the agreement with the community using Pentagonal Livelihood methods, which consider five access that exist in society, namely human capital, natural resources, financial resources, physical resources and social resources. After the program is agreed, negotiations are conducted and then legalized in a MOU and Work Agreement.

In general, community development programs consist of :

1. Inside the concession: Implementation of social management area using adaptive agroforestry systems and the development of non-timber forest products
2. Outside the concession area:
  - 2.1). The development of community livelihood program which is based on the potential of the village (fisheries, livestock, crops and agriculture
  - 2.2). Programs related to community resilience (such as participatory mapping and village planning, microfinance, education, health and development of alternative energy.



# MAKING IMPACT WHERE IT MATTERS

The largest program of its kind, our project generates an average of 7.5 million triple gold certified carbon credits annually, equivalent to taking 2,000,000 cars off the road each year. In partnership with local communities, we utilise carbon revenues to ensure natural forest restoration and protection, through activities aligned with the UN Sustainable Development Goals. Recognizing the importance of the UN SDGs to the world, and as well as our mission, we are committed to contributing to nine of the 17 goals.

## OUR ALIGNMENT WITH THE UN SDGs AND IMPACTS



### SDG 1

#### No Poverty

We provide opportunity through adult vocational training as well as microfinance and SME lending to facilitate socially and environmentally responsible development.



Allocation of more than 1,000 microfinance loans providing opportunities for individual development. Small business development that supports training and finance



At the same time, we are committed to ensuring our employees are paid above the minimum living wage



### SDG 5

#### Gender Equality

We actively work to ensure improved opportunities for women throughout our project, with the objective of allowing everyone to harness their full potential. We are prioritising the development of small and medium enterprises that provide quality employment for women.



Active promotion of activities to empower women, notably through provision of microfinance



Health access and health education has particular focus on women's health issues



### SDG 3

#### Good Health and Well-being

Our forests are protected, maximising their ability to provide ecosystem services vital to health and wellbeing. Reducing forest fires improves air quality and reduces the incidence of respiratory illness.



Funding and collaboration with local agencies and government to improve access to healthcare, health education and women's and children's health



Fire prevention/response initiative to improve air quality



### SDG 6

#### Clean Water and Sanitation

Most of the people living in communities around our projects have no proper sanitation facilities. Through the provision of modern latrines, we are trying to eliminate diseases from poor or non-existent sanitation.



60+ latrines funded



Peatland rewetting and conservation activities



Aquaculture and sustainable fisheries





## SDG 8

### Decent Work and Economic Growth

We work to transform economies dependent on environmentally damaging practices, and instigate local stewardship of valuable natural resources, through vocational training programmes.



500+ women and men working for the project



400+ community members involved in forest protection fires



900+ benefitting from microfinance loans for business development



## SDG 15

### Life on Land

Our focus is on transforming the local economy from a destruction base to sustainability so that it is possible to protect the forest so that it becomes a resilient ecosystem that supports as complete a species assemblage as possible.



The project contains over 67 mammals, 167 birds, 49 reptiles, 111 fish species. Protection of this vital habitat helps conserve **5 Critically Endangered, 8 Endangered and 31 Vulnerable species**



## SDG 17

### Partnership for the Goals



The success of the project is built on solid, long-term partnership with communities, the public, private and civil sectors



## SDG 13

### Climate Action

Through restoration and protection of natural forests, we can sequester and prevent the release of carbon at the scale required to effectively and immediately address climate change.



The project generates reduction in excess of almost 8 million tonnes CO2 per year



8 million tonnes is equivalent to taking 2 million cars off the road, or 2 coal fired power stations



## SDG 16

### Peace and Justice/Strong Institutions



All of our work is audited by third party observers and their reports are public information



Community-led participatory mapping to avoid land disputes and to identify and agree short- to medium-term development goals and plan specific project activities

Learn more about us

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