

United Nations Global Compact

Communication on Progress 2020



PT Rimba Makmur Utama

Contents

P3

CEO
STATEMENT
OF SUPPORT

P5

COMPANY
OVERVIEW

P6

CONTRIBUTION
TOWARDS THE
SDGs

P15

PROGRESS
TOWARDS THE
UN GLOBAL
COMPACT
PRINCIPLES

COMMUNICATION ON PROGRESS

To our stakeholders:

I am pleased to present PT Rimba Makmur Utama's 2020 Communication on Progress and to reaffirm PT Rimba Makmur Utama's commitment to the United Nations Global Compact and its 10 principles.

Our 2020 Communication on Progress describes 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.

In the pages that follow, we provide snapshots of PT Rimba Makmur Utama project spanning the 9 out of 17 SDGs—from facilitating access to clean water and sanitations to energizing the sustainable agricultural activities and helping women-led small business survive during COVID-19 pandemic. In these as in all of our endeavors, we remain committed to shaping a more livable world in the spirit of the UN Global Compact and its underlying principles.



PT Rimba Makmur Utama

Dharsono Hartono
CEO, PT Rimba Makmur Utama

**PT Rimba Makmur Utama
remains committed to
shaping a more livable
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Global Compact and its
underlying principles.**

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 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 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:



1 NO POVERTY



An Illegal Logger Becomes a Happy Coconut Farmer

Sirai (54) started logging illegally at a young age. "I had no choice back then but to join illegal logging activities as life was hard but we needed to survive," he stated, "We earned enough to feed the family, but I lived everyday in constant fear of being caught by authorities". But everything changed three months ago, when Sirai's neighbour, who was also a logger, invited Sirai to see his newly established coconut sugar business that is currently able to produce almost close to 10kg of coconut sugar each day. Intrigued by what he saw, Sirai strived to pursue the same.

Sirai, along with his 3 friends, had applied themselves to the Katingan Mentaya Project Coconut Sugar training centre where they learnt and acquired new skills, including how to extract neera (palm nectar) and process it into coconut sugar. Practicing it in real life, however, proved to be more difficult as Sirai found himself coming home to numerous scars on his hand from trying to extract the neera with his machete knife.

Sirai, who had spent most of his life cutting down trees, also had trouble with climbing up the 20 palm trees twice a day. "My legs would ache when I climbed up the trees. Being old did not help and it made me really consider whether this is the right work for me after all," he said. But Sirai did not give up, promising himself and his wife that he would try another week, and on the 5th day Sirai had managed to taste the fruits of his labour. Now, Sirai is able to produce 4 kg of coconut sugar each day with help from his family. "This is quite a small amount compared to others that have been producing coconut sugar for a while, but I am motivated to achieve the same", uttered Sirai. His wife would help cook the coconut sugar while his son is looking forward to apply for the next batch of Coconut sugar training.

Furthermore, Sirai's business has increased his family's security. His wife and kids feel more assured now that Sirai doesn't have to spend long days without certainty. As a result of his coconut sugar business, Sirai also now has time for other endeavours, such as tending to his vegetable garden. The future looks bright for Sirai.



Improving Posyandu with Katingan Mentaya Project

Posyandu, or pos pelayanan terpadu (integrated service post), is a community-based activity for health services in Indonesia. The Posyandu Harapan Ibu in Mentaya Seberang village, was filled with activity on the day a team from Katingan Mentaya Project visited. Compared to a year ago, the difference is stark. "A year ago, pregnant women and mothers of toddlers would not come to our Posyandu, so we had to visit their houses instead," Yanti, one of the cadres at the Posyandu, stated, "Not many people came as we didn't offer a lot of programmes and we didn't have a lot of fund to organize healthy meal plan for toddlers". But everything has since turned for the better.

Since 2017, Katingan Mentaya Project has worked with 5 Posyandus from within and around the concession area to decrease the death rate of children and mothers while increasing the community's awareness for basic healthcare. Together with Katingan Mentaya Project, cadres of Posyandu Harapan Ibu learnt to establish new, creative, and diverse programmes for the local communities, including providing a healthy meal plan for mothers and toddlers while being supported financially by Katingan Mentaya Project. Cadres were also given the chance to hold a comparative study in Java where they learnt a set of new projects to help increase the comfort and trust of the community. The cadres have successfully implemented a new system, used previously before in Java, where they use a mark to identify the houses' of expecting mothers and a different, more specialised marks, for high risk pregnancies.

Now that more people visit the Posyandu, the cadres have easier time in socialising the importance of regular check-ups during pregnancy, in order to raise awareness to local pregnant women and mothers of the antenatal care that is provided at the Posyandu.

Together with Katingan Mentaya Project, the cadres of Mentaya Seberang Posyandu have increased the participation of local community, to better improve local health measures and, as the end goal, achieve welfare.



Corona Virus: Katingan Mentaya Project Supports Women Tailors

The COVID-19 pandemic has greatly affected different aspects of human life, causing uncertainty for many people. Indonesia is one of Southeast Asia's largest impacted countries as of April 20th 2020, with more than 6.700 cases reported thus far. As with any crisis, the responsibilities of caring for the family and making ends meet grow heavier on the shoulders of women.

Risiati, single mother of four and a tailor from Mentaya Seberang, depends mostly on her sewing business and her eldest son's work as a river taxi driver to get by. But it all changes when the pandemic hit Borneo, resulting in a local quarantine measure that ceases most of Mentaya Seberang's daily activities. Risiati's clients dwindle and the need for river transport declines drastically. Risiati and her children is also following government order for social distancing, but with minimum economic income, their future looks bleak.

Risiati's story is one that is familiar to the women of Mentaya Seberang, most voicing the same concerns. Aware of the problem at hand, Katingan Mentaya Project initiates a program that facilitates the women tailor to produce masks, which are purchased by Katingan Mentaya Project for distribution around Mentaya Seberang and nearby villages to help prevent the spread of COVID-19.

In a day, Risiati is able to sew up to 20 masks. Murniati and Mardiah are also women tailors who are greatly affected by the pandemic and who are joining Katingan Mentaya Project's initiative. Mardiah does most of her work with her younger sister who has recently lost her job due to the crisis. Though time consuming, the work is relatively simple. The program benefits the women, the people of Mentaya Seberang and its nearby villages, by providing sources of income and helps prevent contagion.



Lavatories to Improve the Quality of Life

Nurwenda, 23, looks happy, walking into the toilet stall attached to her rented house in Parupuk village, in Katingan. “I am happy because I now have access to a private and hygienic space and clean water,” she said. Traditionally and for hundreds of years, Parupuk villagers built floating toilets on the river Katingan, linked to their houses on the river banks. The villagers perform their daily activities using the river, for cleaning, washing, and as a toilet.

This practice is not only detrimental for the health of the community, but also degrades the overall quality of the river water. With the aim to improve water sanitation services for the community and to minimize river pollution, the Katingan Mentaya Project (KMP) helped procure 29 lavatories in Parupuk, at the beginning of 2018. The new facilities, which are attached to villagers’ houses, are clean and well maintained; completely different from the earlier, roofless sheds made of wood that lined the river. Villagers now use the new lavatories. “The closed toilet and bathroom facilities can change the habits and lives of the community. Previously, they used to shower and defecate in the same river water. Now they have more private and sanitary facilities,” Nurwenda said.



Coconut Sugar Training Centre for the Locals

Katingan Mentaya Project's coconut sugar training has proven beneficial for local communities from within and surrounding area of Basawang Village, having learnt numerous skills and information on producing and managing high quality, ready-to-sell coconut sugar.

Aminah and her husband, Dian, were two of the trainees in Katingan Mentaya Project's coconut sugar training centre, who had first heard of the programme from their neighbours in 2018. Previously, Aminah provided for her family by managing a vegetable garden and cleaning copras every day from 6 a.m. to 4 p.m., earning as little as Rp. 30.000,00 for every 1000 copras she cleaned.

Though many villagers in and around Basawang Village have tried building businesses in producing coconut sugar, many of them were not of good quality. Thus the training centre, which is 200m away from Aminah and Dian's house, offer training in numerous aspects. Ranging from how to cultivate a coconut tree, extracting and processing nectar from the coconut, to selling the product. Aminah and Dian currently own 10 hectares of land which they use to cultivate coconut trees. From the 10 hectares, 20 coconut trees are maintained to produce up to 6kg of coconut sugar, worth up to Rp. 85.000,00/day. The rest are kept until harvest season, in which

Aminah and Dian sell their coconuts as produce in local markets. The coconut sugar itself is made through a process of cooking the coconut's nectar for hours at a time. It is a process that, though long, does not take up much energy for Aminah so she can continue her usual routine without trouble.

Katingan Mentaya Project's coconut sugar training centre has greatly benefited Aminah and Dian's family in becoming more independent. In addition to Aminah's work, the family has benefited from the extra assurance that their coconut sugar business has brought them.





Bornean Orangutans Caught on Camera in Katingan

The Bornean Orangutan is a native species to the island of Borneo that is currently classified as a critically endangered species by the IUCN Red List. Residing in tropical and subtropical broadleaf forests, like the ones in Katingan Mentaya Project's concession forest, there are around only 54,500 individuals left in the wild due to habitat loss and human activities.

This recent sighting of the Bornean Orangutan on Katingan Mentaya Project's camera trap is not the first one, as they have been caught on camera quite frequent throughout the KMP's concession forest. This shows that the number of Bornean Orangutans are within safe range and efforts to protect these beautiful species within the KMP's area have succeeded.

Over the years, Katingan Mentaya Project's camera traps have caught more than the Bornean Orangutans on camera. Used to monitor the native wildlife that reside within the KMP's concession forest, the camera traps offer firsthand view of the animals without disturbing their welfare or routine.

Species such as the IUCN Red List's endangered Proboscis Monkeys, Hairy-nosed Otters, and Flat-headed Cats have also been caught on the camera traps. As well as IUCN Red List's vulnerable Bornean Bearded Pigs and the extremely shy Bornean Clouded Leopards.

Katingan Mentaya Project is home to an estimated 4,139 orangutans, 9,789 gibbons, and more than 540 proboscis, representing over 5% of the remaining global population of these species. There are also 185 bird species (2 of which are Critically Endangered) and 49 reptile (3 of which are Endangered) species that reside within the KMP's concession area. Katingan Mentaya Project will continue to protect these species and uphold the biodiversity of Katingan, Central Kalimantan.



Partnership to Sustainable Forestry Management

In the effort to protect forests and biodiversity, as well as to create sustainable economic development opportunities, Katingan Mentaya Project is involving local communities in the management of its conservation area. This partnership began in 2015.

In total, 10 villages signed the MoUs: Asem Kumbang, Tumbang Runen, Jahanjang, Karuing, Parupuk, Telaga, Tampelas, Tumbang Bulan, Kampung Melayu dan Mendawai. The scope of the MoUs includes forest allotments, community development and capacity building, non-timber forest product utilization, ecosystem restoration, forest protection, research and development, employment and education, and social welfare.

In a speech, Rezal Kusumaatmadja, COO of PT Rimba Makmur Utama, expressed his appreciation for the support provided by the local communities and underlined the principles of cooperation among the parties, including, mutual agreement, equality, mutual benefits, local knowledge, trust, transparency, and participation. "In this partnership we continue to involve and consult with the communities. This partnership has to mutually benefit all parties, not only for the interest of the company, but also for the communities," said Kusumaatmadja.

Hartawan, Head of Mendawai village said that, before the signing, the village had prior discussions and provided input and revisions on the draft MoU. He praised the active effort of the company to help the community. "Our villagers support the project. We hope this cooperation can continue and we can receive support in education, health, and organic farming," he added.

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 Utamas 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.