



Sustainability Strategy and Framework

002/ORIMBA/CL/2025

1. Vision:

To connect forests to the world

2. Mission:

Our mission is to become a global leader in transforming resources from sustainably managed forests into eco-friendly products that build, power and feed a sustainable future where forests thrive with mankind.

3. Core Strategies and Objectives:

3.1. Sustainable Sourcing:

- Near-term Objective: PT. Orimba Alam Kreasi ("**OAK**") to source its materials from certified legal and sustainable forests that prioritize forest conservation, biodiversity protection, and indigenous peoples and local communities' rights.
- Long-term Objective: OAK to develop new source of materials from sustainable plantations and from community-based plantation programs to minimize environmental footprint and to empower smallholders and enhance their livelihoods.
- Implementation:
 - Implement a zero tolerance sustainable sourcing policy that accepts only timber from legally verified and sustainably certified sources that are aligned with our No Deforestation, No Peat, No Exploitation (NDPE) commitment.
 - Establish Sustainable Forest Partnership Program (SFPP) and other partnerships with forest owners and suppliers that are certified under sustainable forest management standards or certifications (PHPL/SVLK, FSC, PEFC).
 - Establish programs to promote forest conservation within directly-owned or third-party forest areas through the identification and protection of High Conservation Value (HCVF) Forest areas.
 - Ensure better land use and reduced emissions throughout our supply chain, through Reduced Impact Logging (RIL), conservation set-aside areas, and implementation of our NDPE commitment.
 - Safeguard forest communities throughout our supply chain, including Free Prior and Informed Consent (FPIC), Participatory Mapping, Grievance Mechanisms, and no exploitation of labor, and a commitment to gender inclusivity.
 - Explore investments in sustainable plantation forests to reduce reliance and pressure on natural forest areas (i.e., reduce new openings, reduce emissions from land use, etc.).
 - Explore investments in promoting and sourcing from community-based plantation programs to empower smallholders and enhance their livelihoods.



- Regularly audit and monitor suppliers to guarantee adherence to sustainability criteria. Design and implement clear processes for mediation and mitigation following a breach of OAK's sustainable sourcing standards.

3.2. Sustainable Manufacturing:

- Objective: OAK minimizes emissions intensity and environmental footprint through improving material utilization, increasing mix of renewable energy, and reducing our waste.
- Implementation:
 - Resource Efficiency - explore transition to renewable energy sources, implement waste reduction, invest in machineries and equipment that improve energy and material efficiency, including electricity, water, and minimizing the use of toxic chemicals.
 - GHG Emissions Management - quantify and monitor Scope 1, 2, and 3 emissions, conduct life cycle assessments to identify areas for reducing emissions intensity
 - Occupational Health & Safety - regulate job safety analysis, equip employees and workers with safety briefings
 - Equality for all - provide an inclusive and non-discriminating workplace where employees and workers hold the same rights and equal opportunities regardless age, ethnicity, gender, religion, and socioeconomic status. OAK recognizes the International Bill of Human Rights and the fundamental labour rights of the International Labour Organization (ILO), including the rights of freedom association and collective bargaining.

3.3. Sustainable Innovation:

- Objective: Develop products that replace high-emission materials and processes and promote a circular economy.
- Implementation:
 - Product Research & Development: Invest in product research and development for eco-friendly and low-emission alternatives to existing products.
 - Technological Improvement Programs: Aim for continuous improvement utilizing technology in our operations, including raw material yield optimization, manufacturing process automation, waste reduction, and other improvement programs.
 - Associations, Partnerships, and Collaborations: Collaborate with industry partners, market end users, research institutions, and startups to stay at the forefront of sustainable innovation in sustainable forest management, in timber and non-timber forest products and in wood building and architecture.
 - Training and Education Programs: Educate customers on the importance of sustainability and to make them understand the choices they make.



4. Accountability

The Environment, Social, and Governance (ESG) Committee ensures that OAK carries out operations and practices that are in line with its sustainability strategy. The ESG Committee updates to the Sustainability Advisory Board and coordinates the Sustainability Strategy Implementation Team, which consists of various OAK leaders working on OAK's sustainability pillars of Sustainable Source, Sustainable Manufacturing, and Sustainable Solutions.

OAK follows the International Finance Corporation (IFC) Performance Standards and has established key accountability mechanisms, including an Environmental and Social Management System (ESMS), Stakeholder Engagement Plan, and Grievance Mechanism.

5. Scope and Boundary

This Policy is applicable to all activities within the mills, offices, and sites that Orimba directly owns and operates. Both internal and external parties working for Orimba shall adhere to this Policy. Orimba expects its contractors and third-party suppliers to observe and adhere to this Policy.

6. Key Performance Indicators (KPIs) and Reporting:

Orimba monitors its ESG KPIs and is committed to transparently communicating its sustainability efforts through annual reporting in accordance with the Global Reporting Initiative (GRI), which covers sustainability activities, initiatives, and progress towards the United Nations Sustainable Development Goals (UN SDGs).

7. Alignment with UN SDGs:

Orimba's sustainability efforts are aligned with the United Nations Sustainability Development Goals (UN SDGs). The following highlights the key areas of contribution:

7.1. Goal 12: Responsible Consumption and Production:

Orimba's focus on sustainable sourcing, manufacturing, and innovation supports the goal of responsible consumption and production.

7.2. Goal 13: Climate Action:

Sustainable manufacturing practices and investment in renewable energy contribute to mitigating climate change.

7.3. Goal 15: Life on Land:

Commitment to sourcing materials from certified sustainable forests aligns with the goal of protecting and restoring terrestrial ecosystems.



7.4. Goal 8: Decent Work and Economic Growth:

Programs to promote forest conservation, strong community engagement to contribute to creating decent work opportunities and enhancing local livelihoods.

7.5. Goal 7: Affordable and Clean Energy:

OAK's sustainable manufacturing strategy includes an effort to increase the share of energy from renewable sources

7.6. Goal 9: Industry, Innovation and Infrastructure:

OAK's sustainable manufacturing strategy aims to reduce product emission intensity and improve material efficiency.

7.7. Goal 17: Partnerships for the Goals:

Multi-stakeholder partnerships through various programs promote global knowledge and best practices of sustainable forest management.

7.8. Goal 1: No Poverty, Goal 5: Gender Equality, and Goal 10: Reduced Inequalities:

OAK's inclusive and diverse workplace ensures equal opportunities and pay, gender equality, and fair competitive wages.

This regulation has been established by the Management of OAK as a guideline to be followed by all relevant parties. It may be reviewed and updated as necessary, in accordance with developments and conditions in the field. Therefore, it is issued to be properly understood and implemented.

On behalf of OAK Management
Andrew Sunarko