Moores Rowland

INDEPENDENT ASSURER REPORT

PT DHARMA SATYA NUSANTARA Tbk
SUSTAINABILITY REPORT

For The Year 2023

No. of Report : **0524/BD/0041/JK**
Date : **May 31, 2024**

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Moores Rowland

Jakarta, May 31, 2024

No. : 0224/BD/0041/JK
Subject : Report of the Independent Assurer for Sustainability Reporting PT Dharma Satya Nusantara Tbk year 2023

To:
Board of Directors
PT Dharma Satya Nusantara Tbk
GRHA DSN
Jl. Pulo Ayang Kav. OR 3
Kawasan Industri Pulogadung, Jatinegara
Jakarta Timur 13930
Indonesia

Dear Board of Directors,

In accordance with our Sustainability Assurance Service, we hereby submit our report on the Sustainability Reporting of PT Dharma Satya Nusantara Tbk (DSNG) for the year 2023.

The results of our Assurance Process, indicate that there are no material errors or deviations in the DSNG Sustainability Report 2023.

More detailed descriptions and explanations of the results of our Assurance are contained in the Report of the Independent Assurer, which we attach herewith.

We sincerely thank the Board of Directors of PT Dharma Satya Nusantara Tbk for their cooperation and assistance in enabling us to carry out our Sustainability Assurance Service.

Yours very truly,

PT Moores Rowland Indonesia

James Kallman
Chief Executive Officer

ASSURANCE STATEMENT

Independent Assurance Statement
Report No. 0524/BD/0037/JK

To the Management of PT Dharma Satya Nusantara Tbk,

We were engaged by PT Dharma Satya Nusantara Tbk ('DSNG') to provide assurance in respect to its Sustainability Report 2023 ('the Report'). The assurance engagement was conducted by our multidisciplinary team with relevant experience in sustainability reporting.

Independence

We carried out all our assurance undertakings with independence and autonomy having not been involved in the preparation of any key part of the Report, nor did we provide any services to DSNG during 2023 that could conflict with the independence of the assurance engagement.

Assurance Standards

Our work was carried out in accordance with ISAE3000 'Assurance Engagements other than Audits or Reviews of Historical Financial Information,' issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform the assurance engagement to obtain limited assurance.

Level of Assurance

By designing our evidence-gathering procedures to obtain a limited level of assurance based on ISAE3000, readers of the report can be confident that all risks or errors have been reduced to a very low level, although not necessarily to zero.

Scope of Assurance

The scope of our work was restricted to the following selected information:

- Occupational health and safety
- Energy, water, and waste management
- GHG emission
- Deforestation and biodiversity
- Gender equality and training development

Responsibility

DSNG is responsible for the preparation of the Report and all information and claims therein, which include established sustainability management targets, performance management, data collection, etc.

In performing this engagement, meanwhile, our responsibility to the management of DSNG was solely for the purpose of verifying the statements it has made in relation to its sustainability performance, specifically as described in the selected information, and expressing our opinion on the conclusions reached.

Methodology

In order to assess the veracity of certain assertions and the specified data sets included within the report, as well as the systems and processes used to manage and report them, the following methods were employed during the engagement process:

- Review the report, internal policies, documentation, management and information systems.

- Interview relevant staff involved in sustainability-related management and reporting.
- Follow data trails to the initial aggregated source in order to check the data samples to a greater depth.

Limitations

Our scope of work was limited to a review of the accuracy and reliability of selected sustainability performance-related information. It was not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Report, as the engagement was not performed continuously throughout the period, and the procedures performed were undertaken on a test basis.

Conclusions

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Report has not been properly prepared and presented in all material respects.

All key assurance findings are included herein, while detailed observations and follow-up recommendations have been submitted to DSNG management in a separate report.

Jakarta, May 31, 2024

James Kallman
Chief Executive Officer

Moores Rowland is an international organization specializing in audit, accounting, tax, legal and advisory services. Moores Rowland is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated audit and consultancy companies.

With more than 65,000 professionals operating in 120 countries across the globe, each sharing the same values and sense of responsibility, Praxity is served by Moores Rowland in Indonesia, one of the leading sustainability assurance providers.

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INDEPENDENT ASSURER REPORT

INDEPENDENT ASSURER REPORT

1. INTRODUCTION

PT Moores Rowland Indonesia (MRI) was commissioned by PT Dharma Satya Nusantara Tbk (hereinafter referred to as "DSNG") to implement Sustainability Reporting Assurance services on their Sustainability Report of 2023 (hereinafter referred to as the "Report").

MRI is a unique player in audit and assurance, accounting, tax, legal, advisory and sustainability services in Indonesia. We offer flexible, tailored solutions for multinational firms, large national firms and SMEs, as well as government organizations, donor agencies and non-governmental organizations (NGOs).

Moores Rowland Indonesia is a member of Praxity AISBL, the world's largest Alliance of independent and unaffiliated accounting and audit firms. This global alliance allows us to access the skills and expertise of some 16,500 professionals in 120 countries around the world, all of whom are committed to the same high ethical standards and technical skills. In Asia, we provide services for clients in China, India, Indonesia, Japan, Korea, Malaysia, Pakistan, Philippines, Singapore, Thailand and Vietnam.

In our Jakarta and Bali offices, we have 284 highly skilled and dedicated professionals, serving a wide range of multi-sector clients that include:

- Large Indonesian companies: 30 listed clients that at times account for more than 50% of the daily trading volume on the Indonesia Stock Exchange
- SMEs, subsidiaries of large international groups
- NGOs, government organizations, bilateral and multilateral aid agencies

MRI is a promoter of the whole concept of sustainability reporting with a proven track record of providing consultancy to both business executives and government officials on what responsible sustainability reporting actually entails. MRI is also licensed as an assurance provider by AccountAbility (UK).

Moreover, from our established links within Praxity, we draw on the experience and expertise of our counterpart professionals around the world, thus offering a wealth of advantages, particularly for companies such as DSNG with a global footprint.

2. COMPETENCE, INDEPENDENCE AND RESPONSIBILITY

2.1. Competence

The assurance process was carried out by the MRI assurance team whose members come from a variety of educational backgrounds and have extensive experience in Sustainability Assurance, consisting of:

1. **James Kallman**; (Engagement Leader): practising American Certified Public Accountant (ACPA) with 30 years of experience in the audit field.

2. **Ali Rahmadi** (Technical Advisor): Master's degree, with more than 30 years experience as an auditor and consultant in various industries including banking, manufacturing and oil, plus audit projects of international donor agencies. He is qualified as a Certified Sustainability Reporting Specialist (CSRS), Certified Sustainability Reporting Assurer (CSRA) and GRI Standards Certified Trainer.

3. **Dendi Trisnadi** (Manager): Bachelor's degree, with more than 20 years experience as a consultant and auditor. He is a Certified Sustainability Reporting Specialist (CSRS) and passed a Certified GRI Standards Training Course.

4. **Ade Irma Kurnia** (Team Member): Bachelor's degree, with 10 years experience as a consultant and auditor. He passed a Certified GRI Standards Training Course.

2.2 Independence

The assurance process was conducted independently. With the exception of providing specific comments on the Report and recommendations for improvements, as part of the assurance process, MRI was not involved in the commissioning of the DSNG report.

MRI had no relations with DSNG over the period of 2023 that could lead to conflicts of interest, or endanger its independence in the provision of assurance services.

2.3 Responsibility

DSNG is responsible for all the information and statements (assertions) contained in the Report, including establishing performance targets for sustainability and corporate social responsibility (CSR), as well as data collection and Report preparation.

MRI's responsibility in providing the assurance, which is addressed to the management of DSNG, is to verify the Report, especially in relation to the sustainability performance information agreed between MRI and DSNG, as stated in the scope of work. As the Assurer, MRI's responsibility is to express its conclusions based on the assurance process.

3. SCOPE, METHODOLOGY AND RESTRICTIONS

3.1 Scope

Our scope of work was to assess the accuracy and quality of sustainability performance information contained in the report including DSNG's subsidiary, which is a business unit in palm oil and wood products.

Below is the sustainability information that has been assured:

Topic Materiality Assured	DSNG Disclosure in SR 2023	Page
Occupational health and safety	Table Achievements in Occupational Safety Management for palm oil business unit and wood product. - Severity Rate - Frequency Rate - Total Working Hour - Total Lost Working Hour - Fatal Work Accidents - Zero Accidents at Subsidiary	116
Energy management	The percentage of energy consumption from renewable sources is 97.59% (7.532.522 GJ from shells and fibers or biomass, 29,971 GJ from Bio-CNG plants, and 37,024 GJ from Biogas engines).	88
Water management	1. Water use intensity consumption target to 1.2 m3/ton of FFB processed by 2025. Water usage intensity during 2023 of 1.30 m3/ton decreased by 0.09 m3/ton FFB processed compared to water usage intensity in 2022. 2. Monitoring and measuring water use disclosed in SR 2023, page 92 Table Total water used by source. 3. BOD and COD quality (mg/l) for POME	94
Waste management	1. Table Type, Volumes, and Mechanisms of solid waste management 2. Table Type, Volumes, and Mechanisms of hazardous waste management	90 - 91
GHG emission	1. GHG emissions intensity, calculated using the RSPO's Palm GHG Calculator methodology (GHG emission intensity during 2023) are 0.50 tCO2e/ton CPO Palm Oil Mill (POM), 0.73 tCO2e/ha Fertilize, and 0.0036 tCO2e/ton TBS FFB Transportation. 2. Progress towards commitment to reduce GHG emissions intensity.	84-85 11
Deforestation	1. Monitoring deforestation: the Company recorded 1 indication of deforestation detected from the Global Forest Watch (GFW Pro) system used by DSNG to monitor the concession area and its surroundings 2. Fire monitoring: In 2023, the Company detected 176 hot spots in the Company's plantation areas and 158 hot spots within its plasma plantation areas.	67 75

Topic Materiality Assured	DSNG Disclosure in SR 2023	Page
Biodiversity	Biodiversity initiatives: 1. Management of conservation area 2. Off-concession conservation area (OCCA) Program 3. Biodiversity conservation efforts (Orangutan Conservation Action Strategy Study (SRAK-OU) 4. Monitoring of protected and conserved habitat, flora, and fauna. 5. Identified species of conservation concern, referencing international or national system of species classification	65 - 73
Gender equality and training development	Diversity monitoring, we describe in our SR 2023 Community Pillar, Management of Diversity and Development of Human Resources Competence. - Total new employees in 2023 by Gender and Age Group - Total new employees in 2023 by Gender and work station - Total of employees leaving the company - Total of employees turn over by position - Gender pay ratio base on employment status (between women and men)	107-111

3.2 Methodology

In conducting our assurance process, we used a variety of approaches to assess the claims, assertions, and the data presented in the Report in accordance with the scope agreed for this assurance assignment. We also assessed the systems and procedures for managing and reporting the data. The methods we applied include:

- Reviewing reports, policies, documentation and management information systems
- Conducting face-to-face interviews with members of the staff/officials associated with the management of sustainability
- Testing data and supporting documents on a random basis

3.3 Restrictions

- The scope of the assurance carried out was restricted to a review of the reliability and accuracy of the data provided by conducting face-to-face interviews with DSNG staff responsible for the preparation and processing of the data, including staff related to the sustainability performance information.

- We did not visit DSNG's field of operations to perform data validation on its sustainability performance there.

4. STANDARD AND LEVEL

The assurance was implemented in accordance with ISAE3000 "Assurance Engagements other than Audits or Reviews of Historical Financial Information," issued by the IAASB.

We carried out the assurance at a limited level in accordance with ISAE3000. The level aims to satisfy users of the Report that any risk and errors therein have been reduced to as low a level as possible, but not that the statements are necessarily free from all risk or error.

5. FINDINGS AND RECOMENDATIONS

We evaluated the reliability of the data and specific sustainability performance information that has been defined in the agreement for the provision of assurance services. The detailed findings and recommendations are shown in Appendix 1.

The specific sustainability performance information is that which we have agreed with DSNG for inclusion in the scope of the assurance process.

Data and specific information cover the following areas:

- Occupational health and safety
- Energy, water, and waste management
- GHG emission
- Deforestation and biodiversity
- Gender equality and training development

Selection of the specific information is based on the consideration of the materiality and assumed usefulness for the various parties using this Independent Assurance Report.

Conclusion

Based on the assurance process we carried out in respect to the specific information, we did not find any material misstatement or deviation in DSNG's Sustainability Report for the year 2023.

PT Moores Rowland Indonesia

James Kallman
Chief Executive Officer

LIST OF FINDINGS & RECOMMENDATIONS

Appendix 1: List of Finding and Recommendation

1. Reporting in accordance with GRI Standards 2021

Findings

DSNG disclosed that their Report was prepared “in accordance with the GRI Standards” and also disclosed its GRI content index. However, the format of the GRI content index is not yet in accordance with GRI Standards 2021.

Recommendation

We recommend DSNG prepares the format of its GRI content index as required by GRI 1: Foundation 2021 regarding reporting in accordance with GRI Standards 2021, as follows:

GRI STANDARD / OTHER SOURCE	DISCLOSURE	LOCATION	OMISSION			GRI SECTOR STANDARD REF. NO.
			REQUIREMENT(S) OMITTED	REASON	EXPLANATION	
General disclosures						
GRI 2: General Disclosures 2021	2-1 Organizational details		*A gray cell indicates something that does not apply. This only relates to the ‘Omission’ and ‘GRI Sector Standard ref. no.’ columns.*			
	2-2 Entities included in the organization's sustainability reporting					
	2-3 Reporting period, frequency and contact point					
	2-4 Restatements of information					
	2-5 External assurance					
	2-6 Activities, value chain and other business relationships					
	" "	" "	" "	" "	" "	
	2-30 Collective bargaining agreements					
Material topics						
GRI 3: Material Topics 2021	3-1 Process to determine material topics					
	3-2 List of material topics					
[Material topic]						
GRI 3: Material Topics 2021	3-3 Management of material topics					
[Title of source]	[Disclosure title]					
" "	" "	" "	" "	" "	" "	" "
[Material topic]						
GRI 3: Material Topics 2021	3-3 Management of material topics					
[Title of source]	[Disclosure title]					
" "	" "	" "	" "	" "	" "	" "

Topics in the applicable GRI Sector Standards determined as not material	
TOPIC	EXPLANATION
[Title of GRI Sector Standard]	
[Topic]	[Explanation]
[Topic]	[Explanation]

Management Response

In the following year, DSNG will adjust the format of our GRI Content Index as presented in GRI 1: Foundation 2021.

2. GRI Standards 2021 review on selected sustainability information

Findings and Recommendations

Based on our review for general disclosures and selected topic disclosures, our recommendations are as follows:

GRI Standards	Page	Recommendation	Management Response
Disclosure 2-8 Workers who are not employees	47	DSNG disclosed the data with category "awal tahun" and "akhir tahun" such as below: URAIAN | 2021 Akhir Tahun | 2022 Awal Tahun | 2023 Awal Tahun | 2023 Akhir Tahun Pekerja alih daya di Kantor Pusat DSNG | 118 | 249 | 249 | 261 We recommend DSNG classify the data consistantly to enable meaningful comparisons.	DSNG will ensure consistent data classification to enable meaningful comparisons in the upcoming years.
Disclosure 2-19 Remuneration policies	121	DSNG should disclose remuneration policies for members of its highest governance body, as required by GRI2-19.	DSNG is considering disclosing the said information in the upcoming years.
Disclosure 2-20 Process to determine remuneration	121	DSNG should disclose the process for designing its remuneration policies, as required by GRI2-20.	DSNG is considering disclosing the said information in the upcoming years.
Disclosure 2-21 Annual total compensation ratio	121	DSNG should disclose the annual compensation ratio of each level of employee, as required by GRI2-21.	DSNG is considering disclosing the said information in the upcoming years.
Disclosure 2-22 Statement on sustainable development strategy	2	DSNG should add GRI reference GRI2-22 on page 2.	We will ensure that GRI reference GRI2-22 is added on statement on sustainable development strategy.
Disclosure 2-27 Compliance with laws and	134	DSNG should disclose the number of its significant instances of non-compliance with laws and regulation, as required by GRI2-27.	DSNG had no instances of non-compliance with laws and

GRI Standards	Page	Recommendation	Management Response
regulations			regulations in 2023. We will disclose this information in the upcoming years, as required by GRI2-27.
Disclosure 302-2 Energy consumption outside of the organization	88	Since the Report was prepared in accordance with GRI Standards 2021, DSNG should disclose the reason why when the data is not available in the GRI Table – omission column.	DSNG will address the recommendation to disclose reasons when the data is not available
Disclosure 302-4 Reduction of energy consumption	89	DSNG should update the statement "kenaikan konsumsi energi" menjadi "penurunan konsumsi energi"	DSNG acknowledges this mistaken narrative and has edited it with the correct version.
Disclosure 302-5 Reductions in energy requirements of products and services	88	Not relevant. DSNG should disclose the reduction in energy requirements of products and services sold.	DSNG will disclose the said information in upcoming years
Disclosure 403-10 Work-related ill health	114	DSNG should disclose the amount of work related ill health reported.	No work-related ill health reported in 2023. DSNG will disclose the said information in upcoming years
Disclosure 404-1 Average hours of training per year per employee	112	DSNG has disclosed its information on GRI 404-1 using a table titled "Total Jam Pelatihan berdasarkan Golongan Karyawan," which shows the total hours of training, rather than the average hours of training per employee per year. To comply with GRI 404-1, DSNG should provide information on the average hours of training per employee per year.	DSNG has disclosed the average hours of training per employee per year, along with GRI 2-17 (page 123) regarding the collective knowledge, skills, and experience of the highest governance body

GRI Standards	Page	Recommendation	Management Response
			on sustainable development. We will amend this as needed in the upcoming years.
Disclosure 305-1 Direct (Scope 1) GHG emissions Disclosure 305-2 Energy indirect (Scope 2) GHG emissions Disclosure 305-3 Other indirect (Scope 3) GHG emissions Disclosure 305-4 GHG emissions intensity	84-85	DSNG should disclose its greenhouse gas (GHG) emissions data categorized as follows: Disclosure 305-1: Direct (Scope 1) GHG emissions Disclosure 305-2: Energy indirect (Scope 2) GHG emissions Disclosure 305-3: Other indirect (Scope 3) GHG emissions	DSNG has disclosed the said information for GRI 305-1, 305-2, 305-3 on page 80
Disclosure 303-4 Water discharge	92	As the Report was prepared in accordance with GRI Standards 2021, DSNG should disclose the reason why when the data is not available in the GRI Table – omission column.	DSNG will disclose the specific information regarding water discharge in the upcoming years
Disclosure 306-3 Waste Generated	90-91	GRI 306-3 requires DSNG to disclose the total weight of waste generated, and the type of waste (hazardous and non-hazardous). DSNG should revise the page number in the GRI content index from 95 to 90-91.	DSNG will revise the page number in the GRI content index from 95 to 90-91.

Management Response

DSNG acknowledges the valuable feedback provided. We will ensure consistent data classification, consider future disclosures, and provide the reasons why when data is not available. We will also address the GRI references and content index revisions as suggested.

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