

DSN GROUP



NDPE PROGRESS REPORT 2024

PT DHARMA SATYA NUSANTARA TBK

SBU-AGRO

SUMMARY OF PROGRESS



1



FFB SUPPLY DEVELOPMENT

DSNG 2024 FFB SUPPLY

2.515.040 TON

64% Nucleus, 17% Plasma,
19% External Suppliers

DECLINE TOWARDS 2023

Overall :

13%

External FFB Supply :

23%



2



TRACEABILITY TO PLANTATION

96,2%

TRACEABLE TO
PLANTATION

≈

**2.419.907
TON**

FFB TRACEABLE TO PLANTATION

3



PROGRESS OF NDPE IMPLEMENTATION EXTERNAL SUPPLIER

PERCENTAGE OF EXTERNAL SUPPLIERS FOUND TO BE COMPLIANCE WITH NDPE IMPLEMENTATION THROUGH MRV AUDIT:

100%

IPC

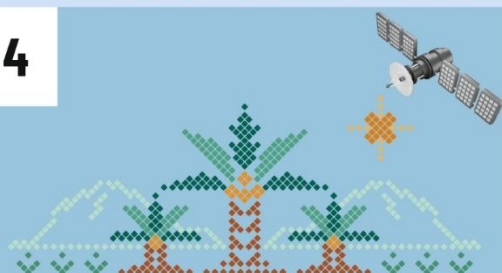
99,9%

COOPERATIVE

70,4%

AGENT

4



LANDSCAPE MONITORING

± 436.629 HECTARE

TOTAL **AREA OF INTEREST (AOI)** OF DSNG MONITORED
THROUGH **SATELLIGENCE**

SUMMARY OF PROGRESS

(CONTINUED)



5



GRIEVANCE DURING 2024



378
GRIEVANCES

1
IN PROGRESS

377
CLOSED

6



NDPE FULFILLMENT

In terms of NDPE compliance status, DSNG is implementing it **in stages** by categorizing external suppliers into **3 categories (registered-controlled-compliant)** in line with the categorization of the NDPE Implementation Reporting Framework (IRF). The following is the achievement **in percent (%)**

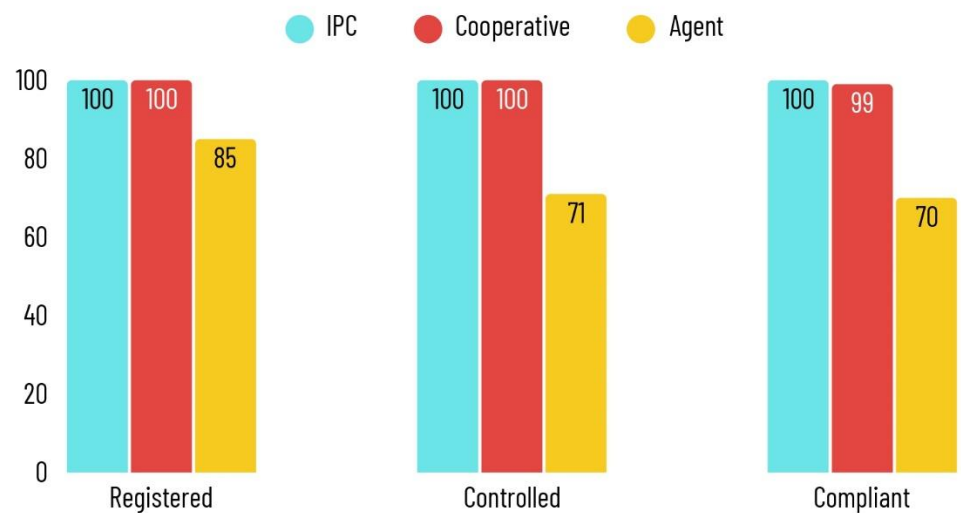


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INTERNAL VERIFICATION STATEMENT

This report has been prepared based on data on various aspects of *Traceability* and the implementation of *No Deforestation, No Peat, No Exploitation* (NDPE) principles and policies, both on the Company's directly controlled areas and at third-party FFB supplier sites based on the requirements of the NDPE Implementation Reporting Framework (IRF) version 5.8. All data and information in the Report have been carefully and thoroughly checked, are true and in accordance with the Company's Traceability and NDPE aspects.

As such, this Report can represent the profile of the Company's operations with regard to Traceability and NDPE outcomes for the period to 2024.



1. INTRODUCTION

Large-scale oil palm plantations operated by both private and state-owned companies have grown rapidly since the mid-1990s. The progress of the oil palm plantation sector is driven by the growing demand for palm oil products. Crude palm oil (CPO) and palm kernel oil (PKO) are the basic ingredients for the manufacture of a wide of daily goods, from food to fuel, from oil to cosmetics. These edible oils are renowned for their high productivity, more than three times more productive than other vegetable oils. Because of this, land use becomes more efficient and prices become cheaper.

The need for land for the expansion of oil palm plantations has encouraged the conversion of land, some of which comes from forest areas, into oil palm plantations. A stakeholder initiative in Indonesia in 2016 formulated efforts to control the conversion of forest land into oil palm plantations. These efforts then developed into No Deforestation, No Peat, No Exploitation (NDPE) requirements in the management of oil palm plantations which are currently implemented by major players in the palm oil industry in Indonesia.

NDPE implementation is expected to reduce deforestation due to new land clearing for oil palm plantations. Therefore, NDPE requirements apply in supply chain relationships. As such, products from oil palm plantations that clear forest cover during the land clearing process are not acceptable in the supply chain. Buyers only want to purchase products produced from fresh fruit bunches (FFBs) grown in compliance with NDPE requirements. Therefore, NDPE compliance has now become mandatory for the sale of palm oil products.

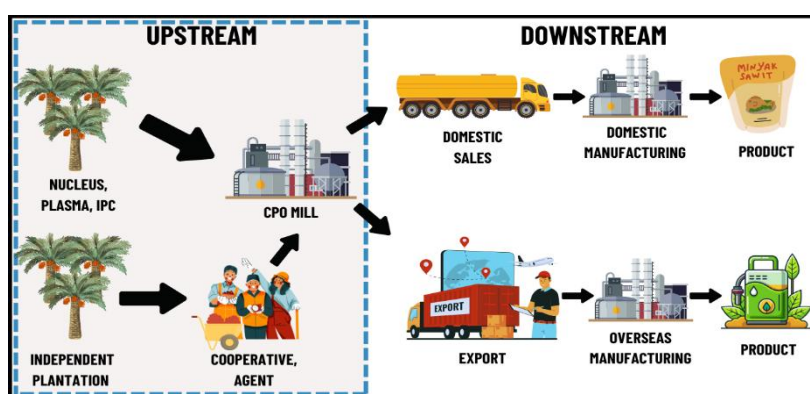


Figure 1 Upstream and Downstream Supply Chain

DSNG is a palm oil processing company from oil palm fresh fruit bunches (FFB) or what is often referred to as the **upstream** industry, where **NDPE applies to suppliers up to the supplying farmers' plantations**. This supply chain may seem short, but it is vulnerable, especially when many of the suppliers are independent smallholders.

To ensure NDPE implementation, DSNG has established an *NDPE policy* in **March 2020**. This NDPE Policy applies internally and to the main supply chain, namely FFB suppliers to DSNG's mills. Since the NDPE Policy was established, DSNG's entire supply chain must fulfill the NDPE requirements.

In the 2024 period, various activities have been carried out to meet NDPE targets, especially in the DSNG upstream supply chain. The process of Supplier registration, NDPE socialization to Suppliers and Farmers, data collection of Farmer Suppliers, engagement of Suppliers and Farmers through self-assessment, fulfillment of requirements and implementation gaps, capacity building through field schools, and verification of NDPE implementation through *Monitoring, Reporting & Verification (MRV)* activities for Suppliers and Farmers Suppliers have been carried out. Although not all activities have achieved the desired results, most activities have achieved the expected targets. This report provides various information about the progress of DSNG's NDPE implementation in 2024 and serves as the company's reporting accountability to &Green investors.

2. NDPE IMPLEMENTATION

a. DSNG POM and its Suppliers

In 2024, DSNG operated 12 palm oil mills (POM; in Indonesian: PKS) with one mill undergoing major maintenance and ceased operations in early January 2024. Only 3 mills receive FFB from Nucleus plantation (Inti) and Plasma plantation (Kemitraan) and the remaining 9 mills receive FFB from Nucleus, Plasma, and External suppliers. External suppliers consist of Independent Plantation Company (IPC), Cooperatives, and Agents. The details of DSNG external suppliers are shown in the table below.

Table 1 DSNG External Supplier in 2024

LANDSCAPE	DIRECT SUPPLIERS			INDIRECT SUPPLIERS (FARMERS)				
	IPC	COOPERATIVE	AGENT	IPC	COOPERATIVE		AGENT	
				Area (ha)	Number of Farmers	Area (ha)	Number of Farmers	Area (ha)
Wahau	1	18	9	3,532	2,561	7,393	1,100	6,073
Bengalon	-	-	7	-	-	-	979	3,229
Karangan	2	-	20	3,378	-	-	383	1,807
Lamandau	-	1	12	-	45	248	1,398	6,289
Sekadau	1	5	3	1,252	1,361	3,031	296	1,671
Total	4	24	51	8,163	3,967	10,672	4,156	19,069

External Suppliers consist of direct suppliers and indirect suppliers. Direct suppliers are suppliers who have SPK/DO (Direct Order) to supply FFB to DSNG POM. IPC, Cooperatives, and Agents are included in direct suppliers. Meanwhile, indirect suppliers are farmers who supply through SPK/DO owners. In 2024, DSNG's external suppliers totaled 79 direct suppliers, including **4 IPCs, 24 Cooperatives, and 51 Agents**. There are a total of **8,123 farmers** as indirect suppliers with a total plantation area of **29,741 hectares**. The number of suppliers decreased by 1 (in Agent suppliers) from 2023 suppliers, i.e. from 80 to 79 suppliers. Of these suppliers, 100% of IPC and Cooperative type suppliers are registered. Furthermore, 84.7% of Agent suppliers are registered. In total, 71 out of 79 external suppliers have been registered. Thus, the percentage of registered suppliers has reached **90.1%**.

b. FFB Supply of Each Supplier to DSNG POM

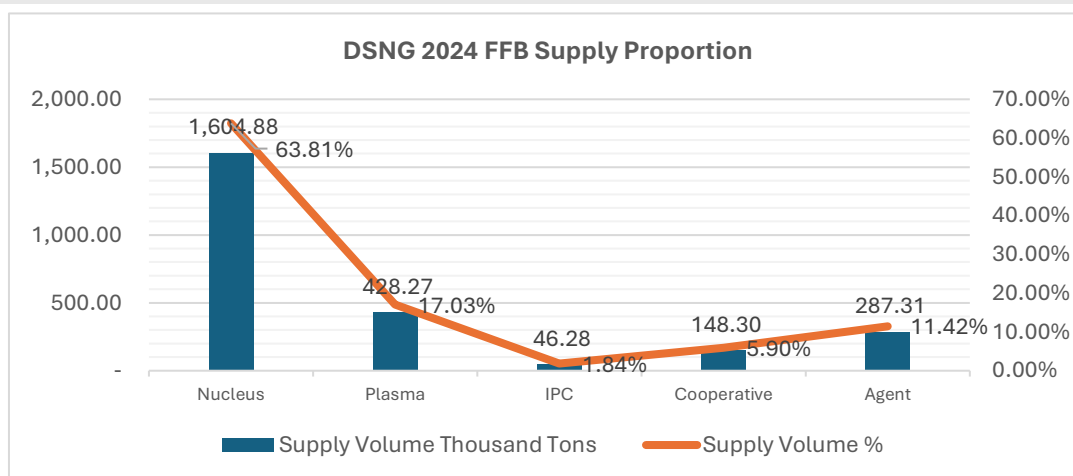


Figure 2 DSNG 2024 FFB Supply Proportion

In 2024, the total volume of FFB entering the DSNG POM is **2,515,040 Tons** with the proportion of **Nucleus** supplying **1,604,880 Tons (64%)**, **Plasma** supplying **428,268 Tons of FFB (17%)**, and **external suppliers (IPC, Cooperatives, Agents)** as much as **481,893 Tons of FFB (19%)**. All FFB supplied by Nucleus and Plasma can be traced to their plantation origin. As for external suppliers, the percentage of traceability has not yet reached the 100% target and data collection of supplier farmers is still ongoing.

c. Traceability to Plantation (TTP) for DSNG POM

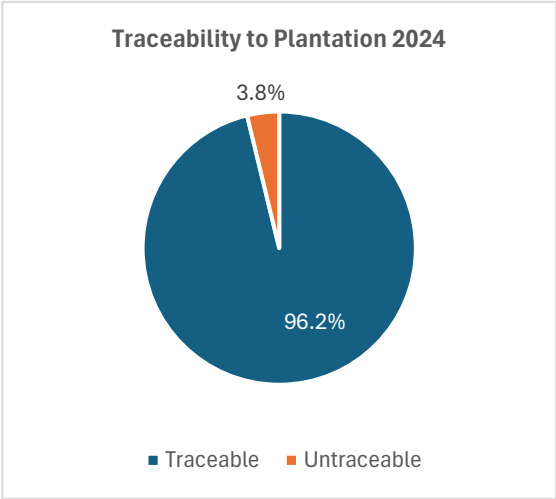


Figure 3 Traceability to Plantation 2024

By the end of 2024, DSNG's overall FFB supply (from nucleus, plasma and external) that **has been traceable** is **96.2%** or equivalent to **2,419,907 tons of FFB**. The **remaining 3.8% (95,133 Tons)** of incoming FFB that are **untraceable** are all from external suppliers. This year's Traceability achievement **has increased** compared to 2023, where the previous TTP percentage **was 91.8%** of FFB that could be traced. The Traceability percentage per mill is shown in the figure below.

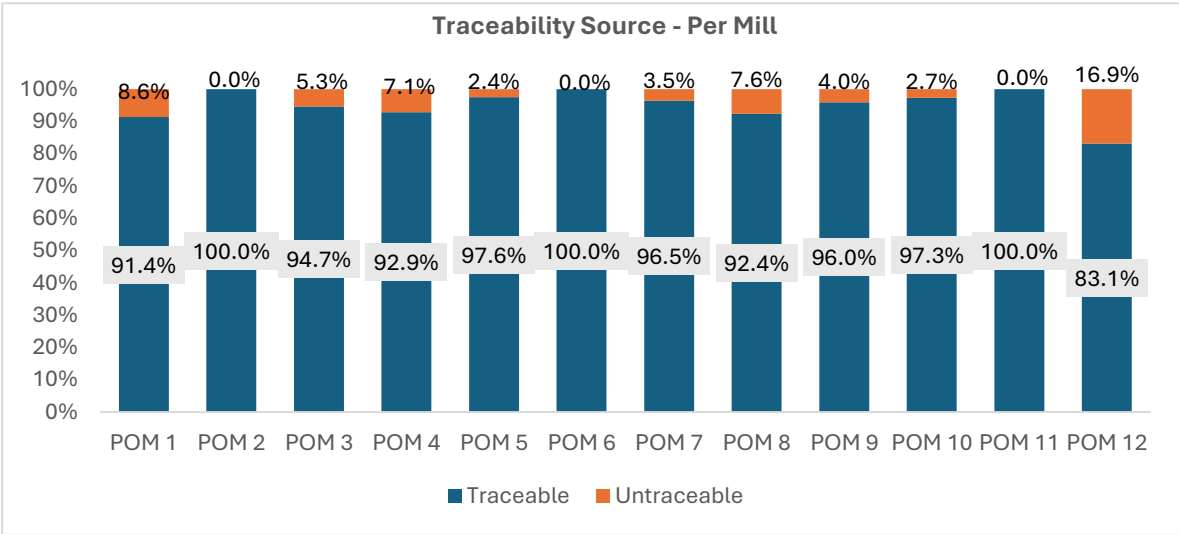


Figure 4 Traceability Percentage per Mill



Figure 4 shows the percentage of traceability of FFB volume entering each mill. Overall, almost every mill has been able to be fully traced, reaching 91.4% to 100%, except in POM 12 as much as 16.9% of FFB has not been able to be traced (*untraceable*).

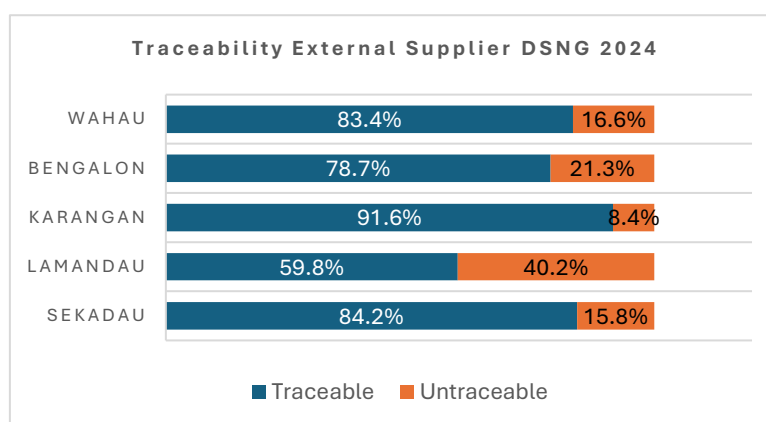


Figure 5 Traceability to Plantation External Supplier DSNG 2024

For external suppliers (IPC, Cooperatives, Agents), the traceability achievement for each DSNG external supplier landscape is between **59.8% - 91.6%**. Total Traceability of external suppliers is **80.3%**. Most of the suppliers that are not yet 100% traceable are Agent Type Suppliers, especially in Lamandau.

Table 2 Traceability to Plantation towards Total External Supplier Area

LANDSCAPE	TRACEABILITY TO PLANTATION (TBS Traceable Total)		
	IPC	COOPERATIVE	AGENT
Wahau	100%	99.3%	65.1%
Bengalon	-	-	79.1%
Karangan	100%	-	82.5%
Lamandau	-	100%	59.1%
Sekadau	100%	77.9%	99.97%
Total	100%	90.8%	70.5%

The traceability of FFB volume to **total area** from external suppliers by the end of 2024 reached **100% for IPC suppliers, 90.8% for Self-Help Cooperative suppliers, and 70.5% for Agent suppliers**. This percentage is obtained from the volume of FFB traceable to the total area divided by the total volume of external FFB. The FFB traceability achievement for Agent suppliers is lowest. This is due to the complexity of the supply chain, which often leads to Agent managers not knowing who the supplying farmers are because purchases are made indirectly.

d. Traceability to Plantation Kernel Crushing Plant DSNG (TTP-KCP)

In addition to having 12 palm oil mills, DSNG also has a Kernel Crushing Plant (KCP) that produces Palm Kernel Oil (PKO). The KCP is located near POM 3 and ISPO-RSPO certified. The kernel supply to KCP is sourced from several DSNG mills as shown in the following table.

Table 3 Traceability to Plantation KCP

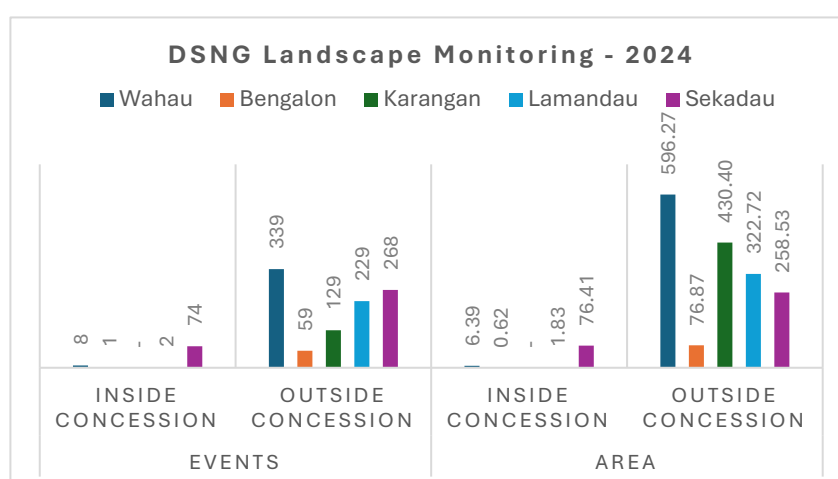
POM Source	Processed Kernel (Ton)	Percentage of POM Traceability	Kernel Volume Traceable (Ton)
POM 1	109.4	91.4%	100.0
POM 2	11,811.6	100%	11,811.6
POM 3	4,631.3	94.7%	4,385.9
POM 4	12,824.3	92.9%	11,913.7
POM 6	15,418.4	100%	15,418.4
POM 7	13,560.9	96.5%	13,086.3
POM 9	11,376.1	96.0%	10,921.1
POM 10	5,567.7	97.3%	5,417.4
POM 11	14,802.8	100%	14,802.8
Total	90,102.7	97.5%	87,857.3

In 2024, the total processed kernels entering KCP amounted to **90,102.7 tons**. Meanwhile, the volume of *traceable* kernels is **87,857.3 tons**. This traceable volume is obtained from multiplying the processed kernels by the traceability percentage of each mill. Thus, the percentage of Traceability to Plantation KCP reached **97.5%** of the total processed kernels entering the mill.

e. NDPE Implementation Strategy

• Landscape Monitoring

Landscape monitoring using satellite imagery aims to monitor deforestation in landscapes associated with plantation operations. In accordance with DSNG's NDPE Policy, the company must ensure that there is no deforestation **after March 2020** within DSNG's operational areas. The areas included in the monitoring scope (*Area of Interest (AOI)*) are nucleus plantation areas, plasma plantations, DSNG supplier independent smallholder plantations, and conservation areas outside concessions managed with communities. The total area of DSNG's AOI is **±436,629 hectares**, which will be monitored during 2024 using the Satelligence platform. During 2024, deforestation monitoring in this landscape resulted in the findings of suspected deforestation as shown below.

**Figure 6** DSNG 2024 Landscape Monitoring Results

Through 2024, a total of 1,109 instances of suspected deforestation across the DSNG landscape appeared in satellite imagery deforestation alerts. A total of 85 events (0.02% of the total AOI) of which occurred within DSNG concessions and the remaining 1,024 events (0.39% of the total AOI)

occurred outside the concession. The Survey and Verification Team conducted field verification to confirm any deforestation or land cover change within DSNG's concession. A summary of the field verification results is provided in the table below.

Table 4 Landscape Monitoring Verification Results (2024)

Location		Verification Result
Inside the Concession	Wahau	Land clearing in the riverbank of PT DWT was carried out by people who claim themselves as landowners
	Bengalon	Clearing community-owned land for rice cultivation
	Lamandau	Land clearing on Lajah Manah hill, conservation area, by Pak Juniati. Mitigation has been carried out and stopped. Will be conducted rehabilitation
	Sekadau	Land clearing in KAP conservation area. Investigation underway and handling
Outside the Concession	Wahau	All of this is land clearing by the community to plant palm
	Bengalon	• Logging in another company's plasma area • Illegal logging on another company's HGU site
	Karangan	Land clearing by the community for farming, partly for planting oil palm
	Lamandau	• Land clearing by other plantation companies, not suppliers of POM 5 or POM 12 • Land clearing by the community for farming, partly for planting oil palm
	Sekadau	Land clearing in other companies' concessions for palm plantation

Based on deforestation monitoring data by Satelligence in 2024, the **percentage of FFB volume that is free from deforestation and conversion** is **96.2%** of the total FFB entering the DSNG mill.

• Certification and MRV Procedures

To ensure NDPE implementation by all suppliers in the supply chain, DSNG implements the following strategies:

- 1) For Nucleus and Plasma plantations, internal requirements are met through certification (ISPO, RSPO, ISCC) and compliance with the International Finance Corporation - Performance Standard (IFC-PS). All aspects of the NDPE are similar to these requirements.
- 2) For external suppliers, the NDPE implementation stages start with registration of suppliers and supplying farmers, farmer socialization, *self-assessment*, and MRV. MRV or *Monitoring, Reporting, and Verification* is the final step to ensure that external suppliers have met NDPE requirements. From the stages passed, the status of suppliers and supplying farmers will be classified into three, namely *Registered*, *Controlled*, and *Compliant*. Only suppliers and supplying farmers that are MRV Audits are conducted by Supplier Audits that are found to be NDPE *compliant*. If the supplier is still in Registered and Controlled status, it cannot be said to be NDPE compliant.

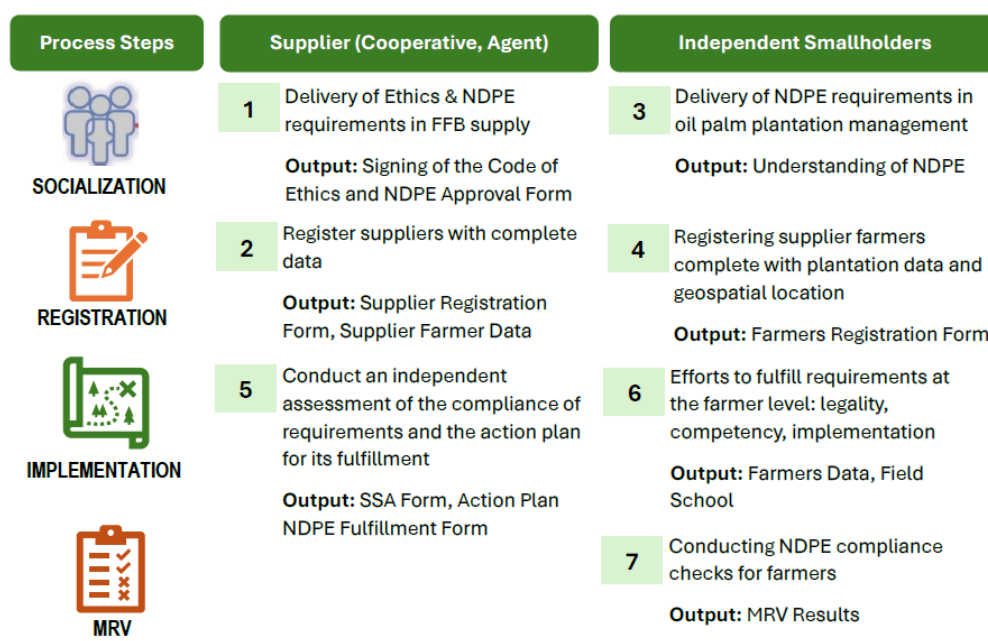


Figure 7 Flow of NDPE Implementation Stages

DSNG certification achievements up to December 2024 are summarized in following table.

Table 5 Achievement of Certification of POM, Nucleus, Plasma YTD December 2024

Aspect	Certification Achievement	
	ISPO	RSPO
POM	12 POMs are certified (100%)	9 out of 11 POMs are certified (82%)
Nucleus Plantation	94,377.68 ha are certified (88,55% of total concession area)	82,404.84 ha are certified (77,32% of total concession area)
Plasma Plantation	2,949 ha are certified (11,8% of total planted area)	5,147.72 ha are certified (20,65% of total planted area)

The two mills that have not been RSPO certified are POM 12 in Central Kalimantan and POM 8 in West Kalimantan. The nucleus plantations that have not been ISPO and RSPO certified are mostly in West Kalimantan and one plantation in East Kalimantan (PUL).

- **Grievance Handling**

In March 2020, DSNG launched its No Deforestation, No Peat, and No Exploitation (NDPE) policy that applies to all operations, subsidiaries, joint ventures, any productive assets owned, managed, or invested in, including plasma plantations managed and operated by DSNG; and the supply chain (including FFB suppliers), other suppliers, and contractors associated with DSNG's palm oil activities.

In order to fulfill commitments in accordance with NDPE policies, a "*check and balance*" mechanism is needed in the form of complaint handling communication from all stakeholders. Stakeholders' input and concerns are necessary for the implementation of NDPE in a transparent and accountable manner. The handling of external complaints is regulated in SOP No. *SOP-AGR-096-R00*. During 2024, there were grievances lodged and most of them have been resolved. The following is a breakdown of grievances from external stakeholders along with their status and follow-up.

Table 6 Number of External Grievances during 2024

Complaint Type	Total	Status		Follow-up
		Closed	In Progress	
Infrastructure	88	88	-	1. Conduct field checking 2. Coordination with the Operations Team to request road maintenance assistance and communicate with society
Plantation/Cooperative Partnership	46	46	-	Holding meetings with partnerships/cooperatives to evaluate and socialize policy arrangements, target results problems, and existing obstacles so that solutions can be found together
Growing Plant Compensation (GRTT)/Grant of Land Compensation (GRL)/Land Claims	40	39	1	1. Conduct field checks 2. Conduct data searches 3. Direct face-to-face or online community meetings to answer complaints 4. Conveying to him that the location claimed is an area that has been in GRTT by the company
Job Opportunities and Employment	61	61	-	1. Delivering information that there are currently no job opportunities 2. Directing applicants to harvest jobs wholesale
External FFB	1	1	-	Already done follow-up with the vendor related FFB arrangement
Fruit Theft	19	19	-	Coordination with Village Officials and Customary Administrators
Security misunderstanding with the community	0		-	
Health Service	0		-	
Education	13	13	-	Look for problematic complaints for evaluation and immediate follow-up
CSR Program/Community Empowerment	31	31	-	1. Seeing the potential of what programs can be done in accordance with Desa Binaan environment 2. Discuss/communicate with the community properly 3. Provide help so that the process of empowerment can go well
Deforestation	1	1	-	Follow-up with the community and socialization so that land

Complaint Type	Total	Status		Follow-up
		Closed	In Progress	
				clearing is not carried out by burning
POM / FFB / CPO / Bulking	4	4	-	Evaluation and Socialization to all vendors by the dispatch PIC, CSR and Mill Head regarding the regulatory policy of CPO/FFB
Contractor/contractor payment	9	9	-	1. Submission to management regarding contractor complaints 2. Coordination operational transportation
Territory Boundary	20	20	-	Coordination and conducting field checks involving ATR BPN and witnesses in process boundary determination
Operational Process	38	38	-	Communication with related parties so that every complaint is followed up immediately
Environment	7	7	-	Problems related to the environment have been verified and followed up accordingly to existing complaints
Total	378	377	1	

Of all the external grievances received, there are two issues related to NDPE, namely the regulation of external FFB received at the DSN POM and the issue of deforestation for land burning for plasma land clearing by the community. All grievances from the Community related to NDPE can be resolved properly.

f. Supplier and Smallholder Engagement

- **Socialization of NDPE Program**

DSNG strives to provide an understanding of NDPE to FFB suppliers and supplying farmers through the NDPE Program Socialization. This socialization is step number 1 and 3 in the NDPE implementation stage for external suppliers. There are two ways of providing socialization. First, farmers are gathered in groups and explained about NDPE and its requirements. The second is to brief each farmer at the same time as the Supplier Engagement Team is collecting data on the farmer's plantation.

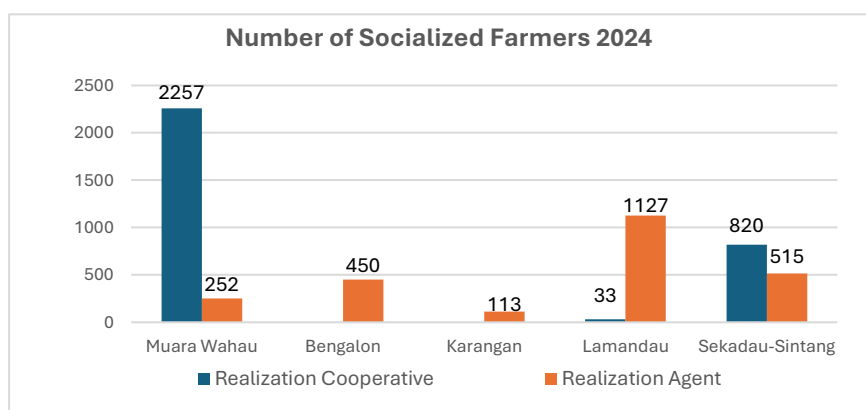


Figure 8 Number of Socialized Farmers 2024

To help farmers get better understand and implement NDPE, the Sustainability Operations team developed a Farmer NDPE Guidebook that was distributed during socialization process. The booklet summarizes general information on NDPE implementation by third suppliers.

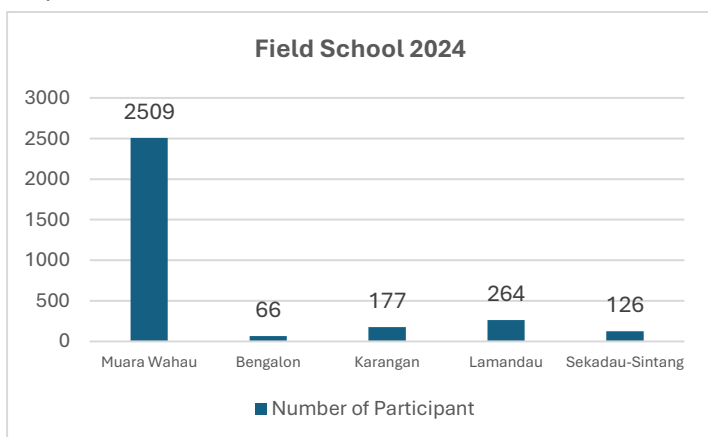


Supplier engagement that carried out towards direct suppliers begins with an agreement to implement the Ethical Commitment and NDPE signed by the Supplier. As of this reporting period, 100% of the registered Suppliers have committed to the implementation of NDPE. The commitments made by the Suppliers include:

- The implementation of the institutional commitment is carried out in stages, with the assistance of DSNG's Supplier Engagement Team. Suppliers that have been institutionally engaged are recorded as "*Controlled*". The achievement of Supplier engagement in NDPE fulfillment to has exceeded the target set for 2024. All IPC suppliers and Cooperatives have achieved "*Controlled*" status. For suppliers and Agents with "*Controlled*" status, 70.6%. The supplier status data is shown in **Figure 12**.

DSNG made efforts for supplying smallholders to gain additional knowledge and skills in the NDPE engagement program. Capacity building is carried out in a series of **Field Schools** (in Indonesian: **Sekolah Lapang/SL**) with various materials ranging from understanding NDPE and its important

aspects, oil palm plantation best practices, Occupational Safety and Health (OHS), to institutional improvement.



In the 2024 period, Field Schools has been held with a total of **3,142 farmers** as participants, as shown in **Figure 10**. This year's Field School participants **increased** from **842** in 2023. **Figure 11** shows some documentation of the 2024 Field School in Lamandau, Central Kalimantan.

Figure 10 Number of Field School Participants 2024



Figure 11 Field School Implementation

- **RSPO Certification Support**

Until now, there are 6 Independent Farmer Cooperatives in the Muara Wahau landscape that have received RSPO and ISPO Certification support in the DSNG supply chain were shown in the following Table 7.

Table 7 RSPO Certified Cooperatives

Cooperative	Location	Farmers	Plot	Area (Ha)
Sumber Rejeki Cooperative	Karya Bhakti Village, Muara Wahau Subdistrict, Kutim District	362	671	961.43
Sawit Usaha Tani Sejahtera Cooperative	Long Bau Village, Muara Wahau Subdistrict, Kutim District	117	191	400.99
Makarti Cooperative	Sidomulyo Village, Kongbeng Subdistrict, Kutim District	172	245	435.77
Karya Indah Cooperative	Wahau Baru Village, Muara Wahau Subdistrict, Kutim District	195	463	634.16
Usaha Tani Sejahtera Cooperative	Wanasari Village, Muara Wahau Subdistrict, Kutim District	169	320	444.55
Kele'an Blom Kejah Cooperative	Nehas Liah Bing Village, Muara Wahau Subdistrict, Kutim District	133	192	426.13

The above Cooperative Certification has taken place in 2023 and DSNG Supplier Engagement Team is supporting the first Surveillance process in 2024.

g. NDPE Fulfillment

To ensure NDPE implementation for each external supplier, a *Monitoring, Reporting and Verification* (MRV) process is conducted. This is the final process that determines whether the supplier can be declared NDPE compliant or not. MRV is conducted by the Supplier Audit Team by **sampling farmers in proportion to the number of farmers per Supplier**. Sampling refers to the **ISO 19011 Management System Audit sample calculation standard**. The following is a table of NDPE Status of DSNG 2024 External Suppliers per landscape.

Table 8 NDPE Status of DSNG External Suppliers 2024 per Landscape

No.	Supplier Type	Target		Status					
				Registered		Controlled		Compliant	
				Total	%	Total	%	Total	%
IPC									
1	Muara Wahau	1	unit	1	100%	1	100%	1	100%
2	Karangan	2	unit	2	100%	2	100%	2	100%
3	Sekadau-Sintang	1	unit	1	100%	1	100%	1	100%
Cooperative									
1	Muara Wahau	2561	farmers	2561	100%	2561	100%	2557	99.8%
2	Lamandau	45	farmers	45	100%	45	100%	45	100.0%
3	Sekadau-Sintang	1361	farmers	1361	100%	1361	100%	1361	100.0%
Agent									
1	Muara Wahau	1636	farmers	1100	67%	926	57%	924	56%
2	Bengalon	979	farmers	979	100%	979	100%	979	100%
3	Karangan	385	farmers	383	99%	253	66%	247	64%
4	Lamandau	1610	farmers	1398	87%	1009	63%	1009	63%
5	Sekadau-Sintang	296	farmers	296	100%	296	100%	296	100%

REGISTERED status is the status of external suppliers who have been registered in the DSNG supplier database system as stipulated in the *Third Party Supplier Registration SOP Number SOP-AGR-093-R00*. These registered suppliers have known **priority data** for FFB supply traceability, including **Farmer Name, Planting Year, Coordinate Point, Total Area, Planted Area, Plantation Area Status, and Land Legality Type**. As such, suppliers with this status are eligible to supply FFB to DSNG mills during the registration phase until an agreed period of time. After that period, such suppliers are required to **commit** to DSNG's NDPE Policy by signing the **Supplier Code of Conduct Declaration**. If the supplier is **unwilling to commit**, DSNG will **remove** the supplier from DSNG's supplier list.

CONTROLLED status is only granted to external suppliers who have met two conditions, namely:

1. Complete the DSNG supplier registration process and commit to implementing the DSNG NDPE Policy by **signing the Supplier Code of Conduct Declaration**
2. Has been included in the **Compliance Roadmap** program as stipulated in the *Third Party Compliance Roadmap SOP Number SOP-AGR-094-R00*

The Third Party Supplier Compliance Roadmap Program is a **long-term program (according to the specified deadline)** implemented by DSNG to help suppliers prepare all requirements that must be met in the NDPE Policy. The Compliance Roadmap program consists of **self-assessment, compliance testing, corrective action implementation, and verification of corrective action results**. The results of monitoring and compliance testing are evaluated. If the result states that the supplier is unable to complete the specified actions within the deadline, DSNG will **suspend** the supplier and they will not be allowed to supply FFB until the specified actions are completed.

COMPLIANT status is the status of external suppliers that have been registered in DSNG's supplier *database* system and have met the compliance requirements based on **MRV Criteria and Indicators (K&I)**. Suppliers with fulfilling status are allowed to supply FFB to DSNG mill for an indefinite period of time or based on the period of cooperation between the supplier and DSNG. Compliance audits will be conducted at least once a year on compliant suppliers to monitor their compliance. However, if there are indications of violations of compliance with the K&I MRV as stipulated in the *Third Party Supplier Compliance MRV SOP Number SOP-AGR-095-R00*, then compliance audits may be conducted at any time.

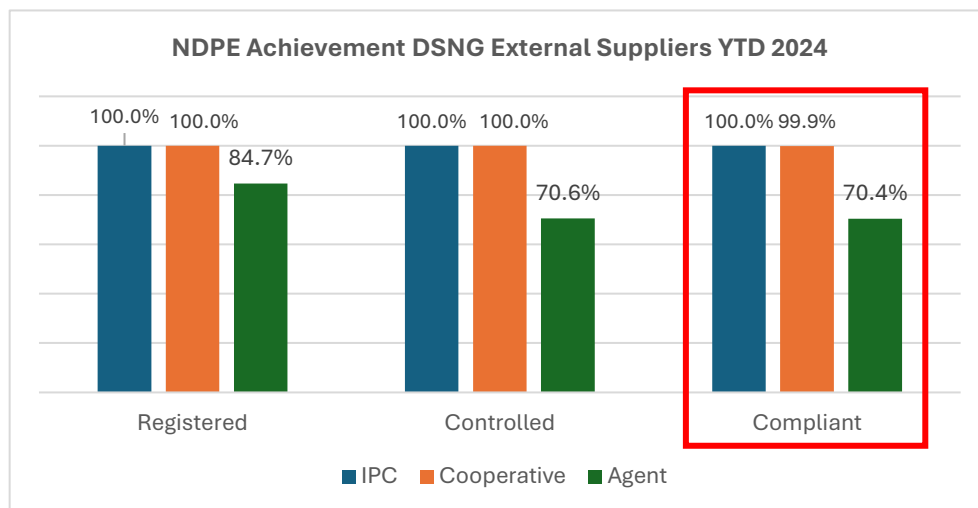


Figure 12 NDPE Achievement of DSNG External Suppliers YTD 2024

Based on **Figure 12**, the NDPE implementation progress (**Compliant** status) of **IPC** suppliers has reached 100% **and Cooperatives** has reached **99.9%** by the end of 2024, exceeding the target. For **Agent** suppliers, the NDPE implementation progress **was 70.4%**. This is still below the target of 74%. By the end of 2025, it is targeted that traceability to own plantation and all supplier, as well as No Deforestation No Peat No Exploitation (NDPE) implementation of own operations & all supplier can reach 100%.

3. IMPLEMENTATION OF “NO DEFORESTATION” AND “NO PEAT”

To monitor the progress of No Deforestation and No Peat (NDP) compliance by all suppliers in the supply chain, DSNG uses the **NDPE Implementation Reporting Framework (NDPE IRF) reporting** tool. Using the NDPE IRF, the company can classify suppliers' progress in NDPE implementation (currently only available tools for No Deforestation and No Peat) based on FFB supply volume into **six categories**, including **Unknown**, **Known**, **Awareness**, **Commitment** and **Starting Action**, **Progressing**, and **Delivering**. Below are the results of DSNG's NDPE IRF Profile for **No Deforestation and No Peat**.

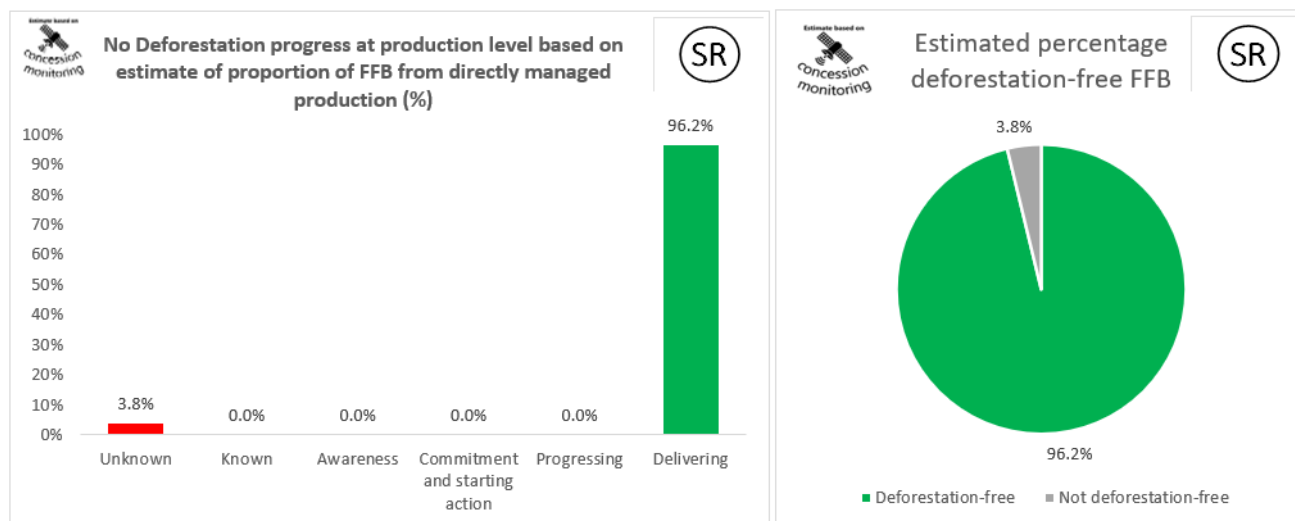


Figure 13 NDPE IRF DSNG Profile (No Deforestation)

Figure 13 shows that **96.2% of DSNG's deforestation-free** FFB supply volume comes from **NDPE Delivering** suppliers. A total of **3.8% of the supply volume** is declared **Unknown** as it cannot be traced to its plantation origin. All of this *untraceable* volume came from third-party or external suppliers. A similar achievement was seen for the IRF DSNG *No Peat* NDPE Profile with **96.2% of supply volumes** being **peatland-free** as shown in Figure 14 below.

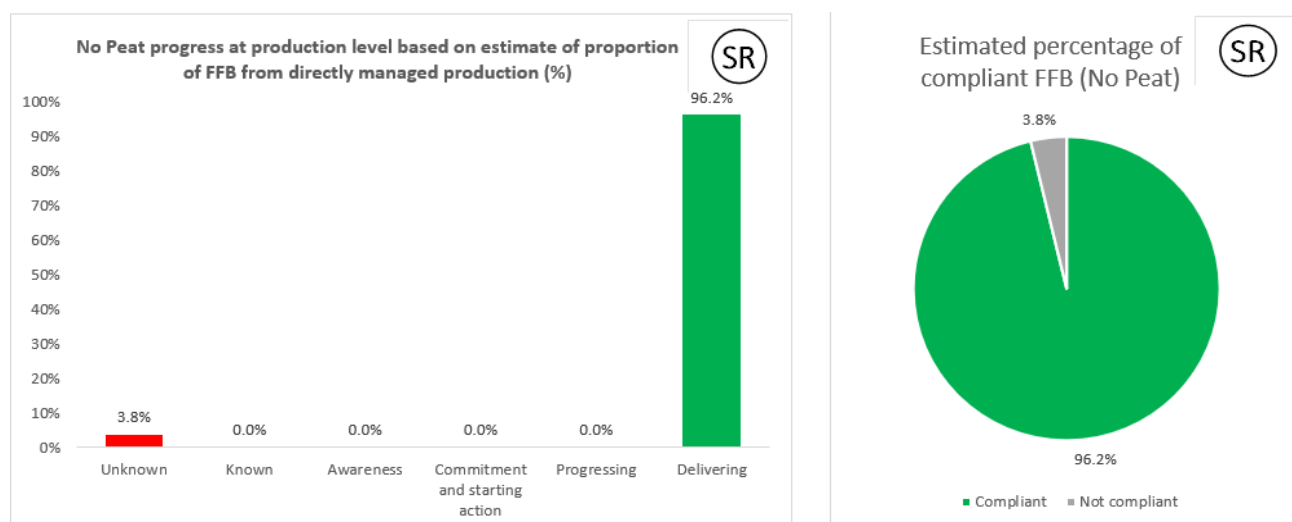


Figure 14 NDPE IRF DSNG Profile (No Peat)

The following is a breakdown of FFB volumes entering all DSNG mills based on categorization in the NDPE IRF.

Table 9 No Deforestation and No Peat Progress Based on Estimated FFB Proportion

FFB Production Categories (Delivering)	Volume from Own Estates	Volume from 3 rd Party Supply	% of Volume (Overall)
Unknown	0.00	95,133.34	3.8%
Known	0.00	0.00	0.0%
Awareness	0.00	0.00	0.0%
Commitment and Starting Action	0.00	0.00	0.0%
Progressing	0.00	0.00	0.0%
Delivering	1,971,831.02	448,075.87	96.2%
Total	1,971,831.02	543,209.21	100%

Beyond compliance with No Deforestation implementation throughout its supply chain, DSNG is committed to reducing the impact of environmental and social risks and conserving forests within the company's operating landscape. In other words, DSNG's ambition is not only to prevent or avoid deforestation, but also to preserve forest areas and the biodiversity within them through the management of conservation areas inside and outside the company's concessions.

DSNG has a list of identified *Integrated Conservation Areas* (ICAs), covering land function zoning, forest areas, peatland areas, company-designated conservation areas, and other conservation areas identified in the landscape. These conservation efforts are carried out in collaboration with various stakeholders, such as the government, academics, civil society, and local customary institutions. This Integrated Conservation Area is contained in **DSNG's Landscape Protection Plan (LPP)**, which was prepared by the company as a form of commitment in collaboration with &Green.

The LPP is implemented through **long-term Environmental and Social Returns**, including: Forest Protection (ER* 1), Sustainable Intensification of Productive Land (ER* 2), Forest Restoration (ER* 3), and Social Inclusion SI). (*)=Return. As per commitment DSNG with &Green, the implementation of LPP will begin in seven plantations in East Kalimantan with targets and achievements of Environmental Return contained in the following table:

Table 10 Environmental Return Achievements based on LPP DSNG

Target & Realization	Forest Conserved (ER 1)	Land Sustainability Intensified (ER 2)	Forest Restored (ER 3)	Smallholders Benefitting (SI)
	Ha	Ha	Ha	Farmers
Achievement plan until 2030	> 7.550*	> 85.750	110	> 8.025
Realization 2024	4.203	109.294	65	21.805
Realization in 2023	4.084	79.110	35,5	13.697
Realization in 2022	7.221*	77.208	35	13.697



Note:

The total area of Conserved Forest is compiled from the results:

- Minutes of Field Review with Local Government
- Indicative result of *High Conservation Value* (HCV) assessment by consultant
- Delineation from HCV consultant

The above area is subject to change once the indicative area has been delineated by relevant parties. Asterisk (*) on Forest Preservation Targets and achievements until 2022 include an area under the *Off-Concession Conservation Area* - OCCA program of 3,148 Ha. Since December 2023, the 3,148 Ha area is excluded (not counted) in accordance with the change of *Area of Interest* (AOI).

A full report on landscape protection achievements is available in the **DSNG 2024 Landscape Protection Plan Report**. DSNG also supports the No Peat commitment by continuing to carry out water conservation efforts and not developing plantations on peatlands, both plantations within company concessions and plantations owned by independent smallholders in the supply chain.

4. IMPLEMENTATION OF “NO EXPLOITATION”

DSNG is committed to no exploitation of workers and communities around the company's operational areas as stipulated in DSNG's NDPE Policy in March 2020, including ensuring that all activities in the palm oil supply chain by all suppliers and their supplying smallholders are free from exploitation practices.

For internal suppliers (Inti and Partnership estates), the implementation of No Exploitation is done by meeting internal requirements through certification (ISPO, RSPO, ISCC) and fulfillment of the International Finance Corporation - Performance Standard (IFC-PS). These requirements have set standards for the implementation of exploitation-free palm oil business, such as respecting all aspects of internationally recognized human rights, namely:

- **Gender protection:** No discrimination against women, respecting reproductive rights (pregnancy and menstruation), preventing sexual harassment
- **Age of workers:** Prohibition of child labor (workers must be > 18 years old), also applies to contractor workers within the company
- **Wage eligibility:** Wages equal to or exceed the legal minimum wage (UMR), labor contracts are in place, wages are paid according to labor agreements
- **Safe working conditions:** Provision of Personal Protective Equipment for all workers, available health care facilities

In addition, companies must also respect and recognize the right to tenure and rights of Indigenous Peoples and Local Communities by implementing *Free, Prior, and Informed Consent* (FPIC) protocols and involving Indigenous Peoples in Indigenous Peoples' development programs.

For third-party or external suppliers (IPC, Self-Help Cooperatives, Agents), the implementation of No Exploitation is done by engaging suppliers in Environmental and Social Commitments that follow the standards in the Third-Party Supplier MRV Criteria & Indicators (C&I) as shown in **Figure 15**.

MRV Criteria and Indicators (C&I)	Implementing Group			
	IPC	SAPR	ECOOP	AGENT
Registration and Commitment				
Complete Socialization, registration and commitment of NDPE code of conduct at Company/Group Level	✓	✓	✓	✓
Complete NDPE code of conduct socialization, registration and commitment at member/ISH level	-	✓	✓	✓
Complete and up-to-date list of group members and data requirements	-	✓	✓	✓
Group-level Supplier Roadmap Implemented and agreed (if required)	✓	✓	✓	✓
RSPO/ISPO Certification				
ISPO certified - as applicable	✓	-	-	-
Legal Compliance				
Comply with applicable national regulations	✓	✓	✓	✓
Valid land tenure	✓	✓	✓	✓
Positive Environmental Performance				
No development in the ICA area after the cut-off date	✓	✓	✓	✓
Plantation management on peatland follows RSPO best management practices.	✓	✓	✓	✓
No use of burning for new planting or replanting	✓	✓	✓	✓
No use, or reduced use, of paraquat, and WHO CLASS 1A/B pesticides	✓	✓	✓	✓
Acquisition of existing plantations on peatland in accordance with RSPO BMPs	✓	-	-	-
New plantings in accordance with the RSPO New Planting Procedure (applicable to RSPO members only).	✓	-	-	-
Promotion of Human Rights, Health and Safety in the Workplace				
Ethical recruitment practices under fair conditions	✓	-	-	-
Workers have freedom of expression and the right to collective bargaining	✓	-	-	-
No harassment	✓	-	-	-
No forced labor	✓	-	-	-
No child labor	✓	✓	✓	✓
Employment Contract available	✓	-	-	-
Wages equal to or exceed the legal minimum wage (UMR)	✓	✓	✓	✓
Personal Protective Equipment is available for workers	✓	✓	✓	✓
Access to Health Center available	✓	-	-	-
Recognize and respect the rights of indigenous peoples and local communities	✓	-	-	-
Respect the right to raise grievances and be free from retaliation (grievance mechanism) and have access to follow-up.	✓	-	-	-
Community Empowerment, Smallholder Engagement and Social Impacts				
Communication and grievance procedures are in place.	✓	✓	✓	✓
Traceable Supply Chain				
FFB sources can be traced to registered suppliers as per DSNG SOP: AGR- 079-R00 (Receipt of Fresh Fruit Bunches)	✓	✓	✓	✓

Figure 15 MRV Criteria and Indicator