

Independent Environmental and Social Verification

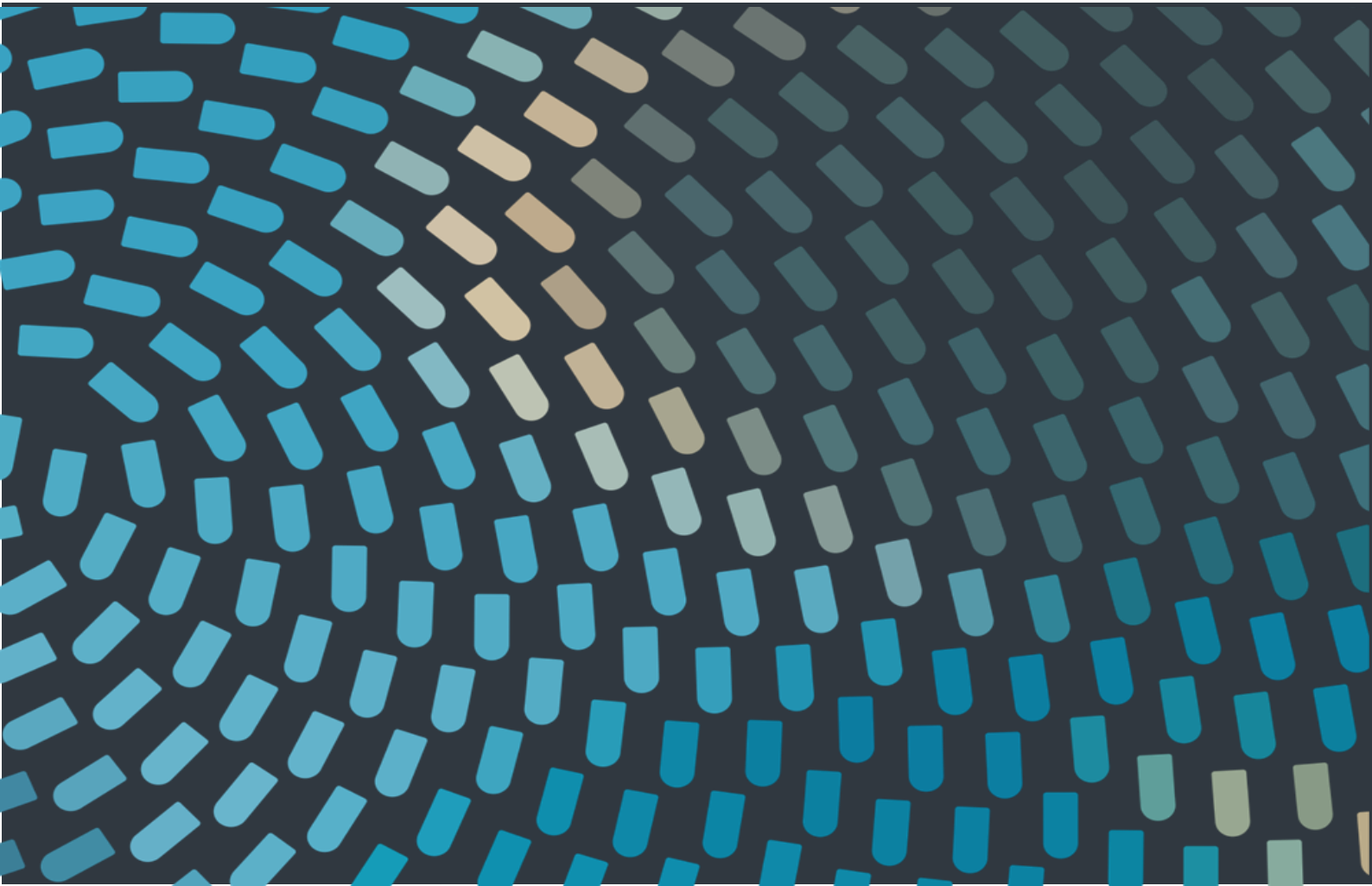
Results Summary

PREPARED FOR

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DATE

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1. EXECUTIVE SUMMARY

ERM CVS Australia Pty Ltd ("ERM CVS") was engaged by The &Green Fund to conduct a verification engagement in relation to the Selected Information set out below. Upon further discussion, it was noted that the ESAP had already been reviewed as part of DSNG's 2024 Sustainability Report. Therefore, &Green and ERM CVS adjusted the scope of this verification to focus on DSNG's No Deforestation, No Peat, No Exploitation (NDPE) policy.

Selected Information: Compliance with NDPE Policy Requirements

Topic	Description
Quality of NDPE metrics for assessing compliance and progress with commitments	Supplier compliance and progress against NDPE commitments can be objectively assessed and verified (NDPE metrics).
Quality of purchase registration system	All purchases from suppliers are registered (procurement list).
Quality of the information system on suppliers	The supplier registration database (registry of suppliers) is complete and continuously updated.
Quality of documentation of supplier traceability	No purchases from suppliers without geo-location of its own farm and (when applicable) from the farm of origin.
Quality of the geospatial monitoring system	A geospatial monitoring system is implemented and ensures accuracy in the analysis of deforestation, development on peat, changes in property boundaries and overlaps with protected areas/KBAs.
Quality of the geospatial monitoring system	The geospatial database is complete and up to date.

The scope of the work encompasses the operational plants based in the municipality of Kalimantan, Indonesia for the 2024 period (from January 1 to December 31, 2024).

Considering the level of review required and our assessment of the risk of material misstatement of the Selected Information a multi-disciplinary team of sustainability and assurance specialists performed a range of procedures that included, but was not restricted to, the following:

- Interviewing management representatives responsible for managing the Selected Information;
- Interviewing relevant staff to understand and evaluate the management systems and processes (including internal review and control processes) used for collecting and reporting the Selected Information;
- Reviewing qualitative and quantitative evidence supporting the NDPE item being implemented;
- Reviewing the reporting criteria in detail (NDPE Policy) to ensure the quality of the action met the requirements;
- On-screen review of source data and local reporting systems and controls;
- Assessing the GIS structure, reviewing vector data (shapefiles) processing methods, validating internal data review protocols, verifying naming standards, checking geographic referencing accuracy, and ensuring consistency between mapped areas and tabular data.

2. NDPE STRATEGIC ITEMS

DSNG has adopted the NDPE policy since March 31, 2020, across all operational activities, subsidiaries, joint ventures, and productive assets owned, managed, or invested in, including plasma plantations managed and operated by DSNG for the benefit of plasma farmers. DSNG will implement this policy throughout its supply chain, including suppliers of Fresh Fruit Bunch (FFB) and other contractors involved in DSNG's palm oil activities.

As stated in DSNG's 2024 Sustainability Report, they have a target of 100% Supplier Compliance with DSNG's NDPE Policy and Full Traceability by 2025.

By FY2024 (January to December 2024), majority of DSNG NDPE compliance requirements were completed. As a result, of the 6 applicable metrics, all were assessed as completed, as shown in the table below.

Completed metrics:

- Supplier compliance and progress against NDPE commitments can be objectively assessed and verified (NDPE metrics). No issues noted.
- All purchases from suppliers are registered. No issues noted.
- The supplier registration database (registry of suppliers) is complete and continuously updated. No issues noted.
- Quality of documentation of supplier traceability: No purchases from suppliers without geo-location of its own farm and (when applicable) from the farm of origin. No issues noted, but with some limitations.
- Quality of the geospatial monitoring system: a geospatial monitoring system is implemented and ensures accuracy in the analysis of deforestation, development on peat, changes in property boundaries and overlaps with protected areas/KBAs. No issues noted, but with some limitations.
- Quality of the geospatial monitoring system: the geospatial database is complete and up to date. No issues noted, but with some limitations.

The following table summarizes the progress made in meeting the targets for the strategic items agreed with &Green and the actions expected for full alignment or improvement

NDPE COMPLIANCE SCORING MATRIX:

Legend	
N/A	Not applicable to the investee.
Yes	ERM CVS has reviewed sufficient evidence demonstrating the completeness of the action in accordance with the NDPE Policy.
In progress	Investee has shown sufficient evidence to show progress has been made, but not enough to demonstrate full completeness against the reporting criteria.
No	ERM CVS has not received sufficient evidence that the action has been completed in accordance with the NDPE Policy.

NDPE COMPLIANCE RESULTS:

#	NDPE Topic	Status as of FY2024	Findings/ Gaps	Actions expected for improvement
1	Supplier compliance and progress against NDPE commitments can be objectively assessed and verified.	Yes	Item completed. When onboarding suppliers, they must complete a registration process to confirm compliance with specified requirements. As part of this process, each supplier undergoes a physical audit and is assessed against the 22 NDPE commitment criteria. ERM CVS reviewed completed registration forms, NDPE commitments forms, and NDPE compliance audits completed by the Supplier Manager. This is then summarized into an excel showing MRV compliance and shared with Management for review. ERM CVS confirmed the process of supplier compliance is working well and well documented. No issues noted regarding verification.	Manager QA/QC can be improved by reviewing the mathematical accuracy of the MRV compliance excel from NDPE compliance audit assessment.
2	All purchases from suppliers are registered (procurement list)	Yes	Item completed, but some documentation unavailable. A procurement list consolidating all the suppliers who have undergone the registration process is created and monitored. To ensure that only registered suppliers are selected for purchase orders, the system provides a drop-down menu that includes exclusively these approved suppliers. ERM CVS saw evidence of the PO control in place, however DSNB could not provide a procurement spend list to show all suppliers are registered due to file size. Given the control in place, ERM CVS can reasonably assume there is no other way for a non-registered supplier to be purchased from.	No action items required.

#	NDPE Topic	Status as of FY2024	Findings/ Gaps	Actions expected for improvement
3	The supplier registration database (registry of suppliers) is complete and continuously updated.	Yes	Item completed. The supplier registration list is continuously updated, and each supplier undergoes a security check upon registration in addition to the registration form. To ensure that only registered suppliers are selected for purchase orders, the system provides a drop-down menu that includes exclusively these approved suppliers. Given the process in place, ERM CVS can reasonably assume the supplier list is complete.	No action items required.
4	Quality of documentation of supplier traceability	Yes	The document demonstrates compliance with the requirement to avoid purchases from suppliers lacking geo-location data. It explicitly references a written procedure that prevents supplier activation without coordinates (SOP-AGR-093-R00, currently being updated to R01) and confirms the maintenance of complete geo-location documentation (supplier/farm IDs, boundary polygons, coordinates, legal status, and metadata), validated through GIS and field checks. No issues noted, but with some limitations.	File availability: Provide vector files and related documentation for enhanced verification.
5	Quality of the geospatial monitoring system	Yes	The system described covers all supplier categories and integrates internal platforms (MRV, DSN GIS, GPS) with external tools (Nusantara Atlas, GFW-Pro), performing spatial analyses that include overlays with forest cover, peatland, protected areas/KBAs, and third-party boundaries. Documented procedures exist for updates, operational logs, versioned scripts/models, periodic reports, and QC processes (cross-validation and consistency checks). However, explicit accuracy metrics (e.g., sensitivity, precision, false-positive rates) and a formal minimum frequency for reprocessing are missing, as well as detailed methods for detecting and validating property boundary changes. No issues noted, but with some limitations.	Establish Governance Metrics: Define KPIs for monitoring accuracy (precision, false positives) and implement SLAs for alert processing and boundary change validation. Standardized Data Management: Adopt corporate standards for naming, versioning, and metadata; introduce a formal update calendar with freshness KPIs and completeness reporting.
6	Quality of the geospatial monitoring system	Yes	The file states that the geospatial database is complete and up to date (including latitude, longitude, and accuracy), with version history, cloud backups, and documented operations. However, it acknowledges the absence of a fixed standard for naming and organization and indicates that updates occur “as needed,” without a formal schedule—creating governance and auditability risks. No issues noted, but with some limitations.	

ADDITIONAL NOTES ON GIS REVIEWS:

Methodology

The geospatial validation aimed to ensure the accuracy and reliability of spatial data utilized by DSNG. The process was structured into two main phases: 1) Submission, receipt, and analysis of a questionnaire related to geoprocessing workflows and database maintenance; and 2) Technical meetings with DSNG's geoprocessing team to clarify internal processes and address outstanding questions. These steps were designed to answer key points regarding supplier traceability, monitoring system quality, and database completeness.

Data Reception and Validation

ERM CVS did not receive any files due to data privacy policies—neither vector files (e.g., shapefiles) nor documentation related to DSNG's geoprocessing monitoring procedures. Therefore, engagement was limited to questionnaires and subsequent technical meetings with DSNG's geoprocessing professionals.

Questionnaire

ERM CVS developed and sent a questionnaire to DSNG to gain a better understanding of its geoprocessing procedures. The questionnaire was completed and returned for ERM CVS's analysis. Questions were grouped under: Supplier Traceability & Geolocation, Geospatial Monitoring System, Geospatial Database Management, Metadata & Documentation, and Data Acquisition and Processing.

Technical Meeting with DSNG Team

A meeting was held with DSNG's geoprocessing team to deepen understanding of internal processes. Discussions were guided by methodology and questionnaire responses.

Final Assessment

Analyzing the meeting notes and reviewing the questionnaire responses provided by DSNG, ERM CVS could finish the procedural and documental assessment. Results outlined above.

SUSTAINABILITY REPORT 2024

Stepping up

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