


DSN GROUP



9M-23 CORPORATE UPDATES

PT DHARMA SATYA NUSANTARA

 [dsn.group](https://www.instagram.com/dsn.group) www.dsn.co.id



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DSNG

www.dsn.co.id

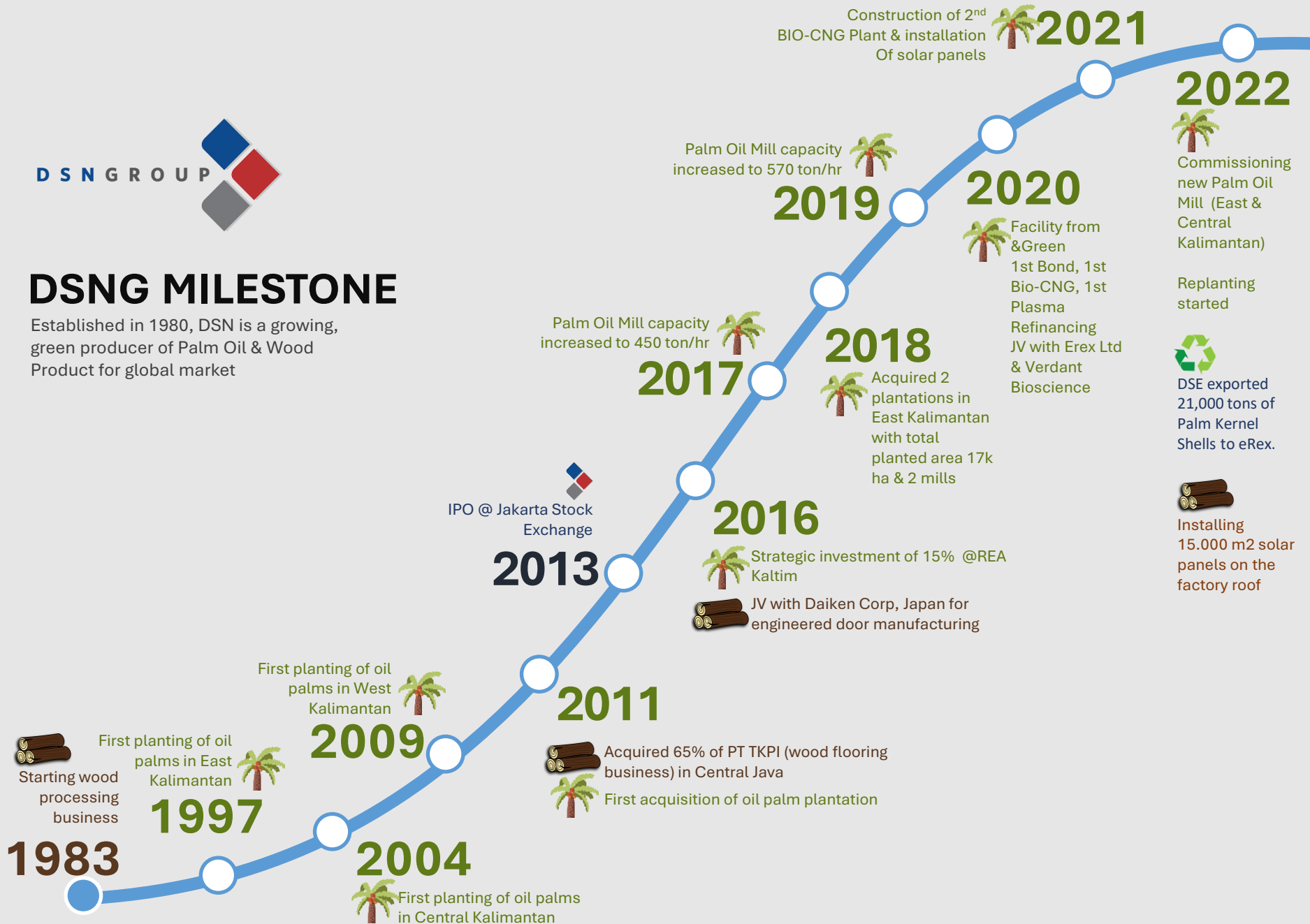


 [dsn.group](https://www.instagram.com/dsn.group)



DSNG MILESTONE

Established in 1980, DSN is a growing, green producer of Palm Oil & Wood Product for global market



9M-23

Replanting Progress

Fell down approx. 500 Ha

Bulking Storage

Completion of additional 29K ton CPO Bulking storage, recorded total bulking capacity for 126K ton CPO

Signing ADB

DSNG & ADB signed a US\$15 million Sustainable-Linked Loan facility to expand sustainable wood processing, rural livelihood development, and climate-resilient agroforestry in Java

DSNG Maintained idA Ranking from Pefindo

DSNG has maintained an idA rating for its shelf-registered Bond I Year 2020 for two consecutive years

PALM OIL SEGMENT



As of end of June 2023, the company's total planted area, including nucleus and plasma, were 112.5 thousand hectares, with mature areas of 106 thousand hectares and average age of 13.8 years.

PRODUCTION FACILITIES

675 ^{ton/hr} **FFB**

12 Mills CPO

400 ^{ton/day} **PK**

1 Mills PKO

1.2 ^{MW} **Electricity**

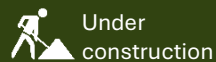
280 ^{m³/hr} **Bio-Methane Gas**

1 Bio-CNG Plant



+ **1,7MW, 570 m³/jam**

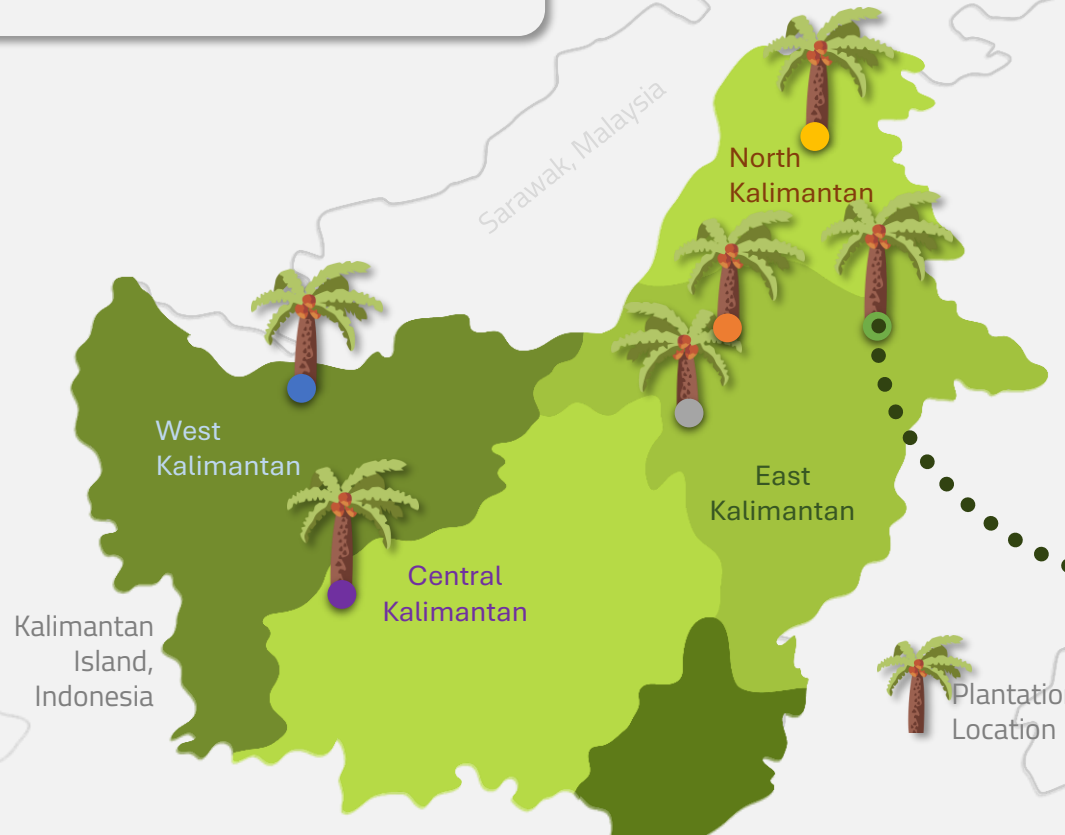
126K ^{ton} **Storage**



PLANTATION PROFILE

('000 ha)	Nucleus	Plasma	Total
Planted	84.6	27.9	112.5
Immature Plantation	2.8	3.7	6.5

Prime Mature
72%



± 60.000 ha in one area

Our most developed cluster (± 56%) in East Kalimantan is nearly the size of Singapore



WOOD PRODUCT SEGMENT



Wood Product is the legacy business of DSNG. All our wood products are certified to numerous international sustainability standards and exported to many countries around the world.



Raw Material



Products




Market

PANEL

SENGON **JABON**



PRODUCTION CAPACITY
12,000 m3/month

Block Board **Plywood** **Bare Core**


100% Export
90% Japan | 10% Other Countries

ENGINEERED FLOORING

IMPORTED OAK **OTHER LOCAL WOOD**

PRODUCTION CAPACITY
150,000 m2/month



TEKA
Precisely unique in every piece

Domestic Market

TEKA Showroom
Alam Sutera, Jl. Jalur
Sutera Kav. 29B No. 36-37
Tangerang selatan, Banten


Export

- Europe
- Canada
- Asia
- New Zealand
- USA

ENGINEERED DOOR

JOINT VENTURES WITH
DAIKEN

Product



Engineered Door

Market Destination

U.K.

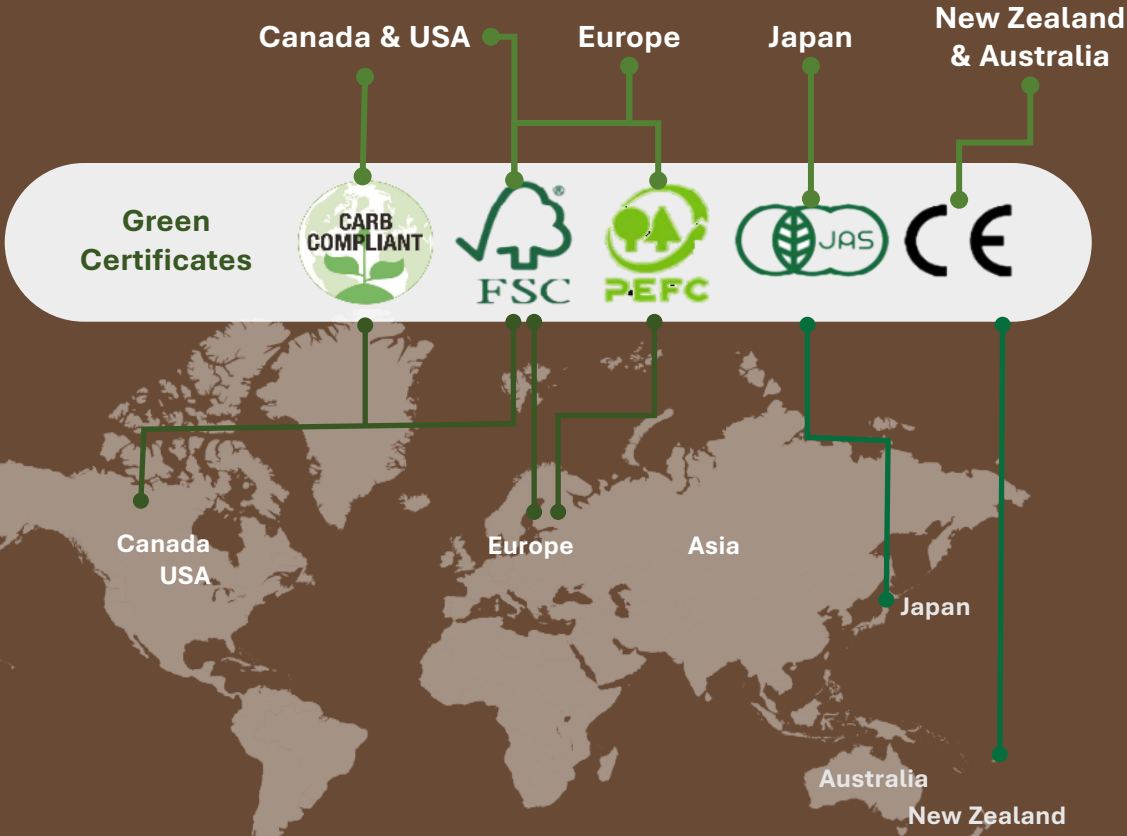
100% Export

PRODUCTS CERTIFICATION



Wood Product

All wood product have SVLK certificate to ensure the legality of timber source



The type of certification is customized according to the market destination

Palm Oil



The assurance that the member has committed to and complied with sustainability requirements, and can make a claim on their certification status and communicate this throughout the supply chain

7 CPO Mills & 15 Estates



ISPO ensures all palm oil businesses have meet permitted agricultural standards and participate in fulfilling the Indonesian government's commitment to reduce greenhouse gases & environmental issues.

8 CPO Mills & 19 Estates



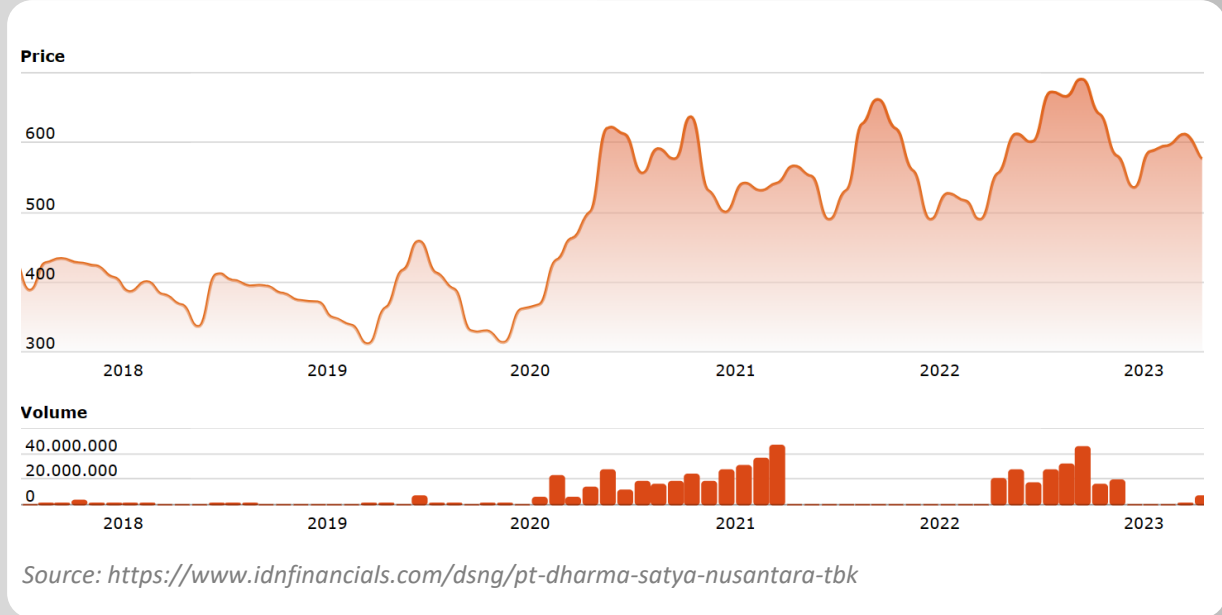
Independent organization that establishes a global certification system for sustainable raw materials and products, traceability through the supply chain and determination of greenhouse gas emissions and savings.

1 KCP Mill & 1 Bulking station



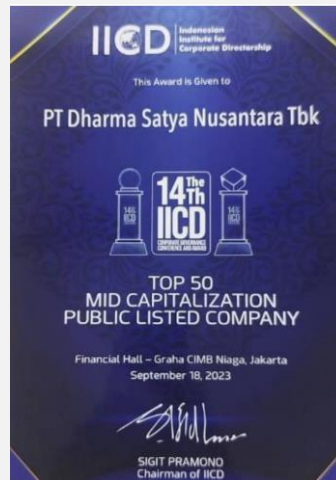
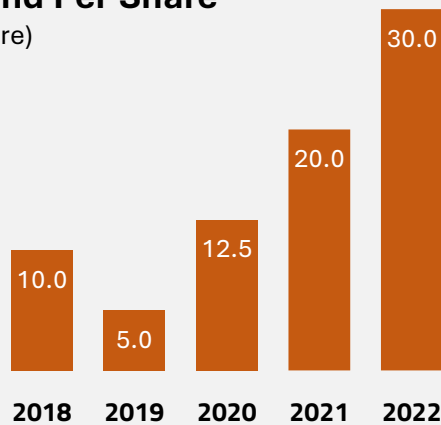
LISTING IN IDX

DSNG listed its shares in IDX on 14 June 2013 with a ticker of DSNG:IJ. Currently, its market capitalization is around IDR 6.1 Tn or USD 382 Mn equivalent (as of 27 Oct 2023)



Dividend Per Share

(IDR/Share)



DSNG was acknowledged as one of the top 50 companies in the Mid Capitalization category for effectively implementing Good Corporate Governance (GCG) principles

The assessment was conducted by the Indonesia Institute for Corporate Directorship (IICD). The award aimed to encourage more Indonesian companies to enhance their competitiveness through Corporate Governance implementation aligned with the principles of the ASEAN CG Score Card.

DSNG AS CONSTITUENT IN SOME INDEXES



As a public company whose shares are actively traded, the inclusion of DSNG shares as part of several Index constituents, shows the recognition of independent institutions to the company's performance and commitment to sustainability practices.


1 **KOMPAS 100** Aug'23 – Jan'24

2 **PEFINDO SME INDEKS 25** Mei'23 – Jul'23

3 **ISSI** Jun'23 – Nov'24
Indeks Saham Syariah Indonesia

4 **JII70** Jun'23 – Nov'24
Jakarta Islamic Index



 **KEHATI**
<https://kehati.or.id/en/index-sri-kehati/>
Jun'23 – Nov'23

*For the period of Jun-Nov 23, DSNG is the only palm oil company as the constituents of above listed Kehati Indexes.

5 **SRI KEHATI**

6 **ESGQ 45 IDX KEHATI**

7 **ESG SL IDX KEHATI**

8  **TEMPO-IDN Financial 52** As of Jun'23



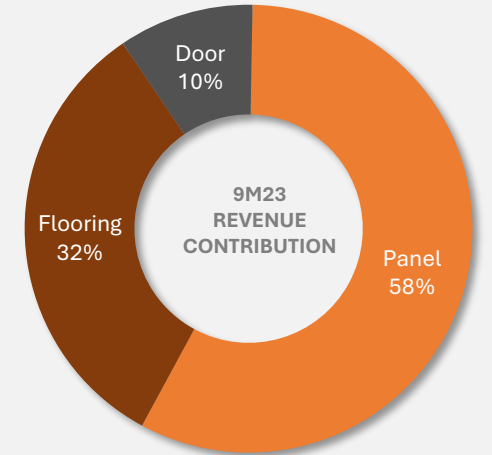
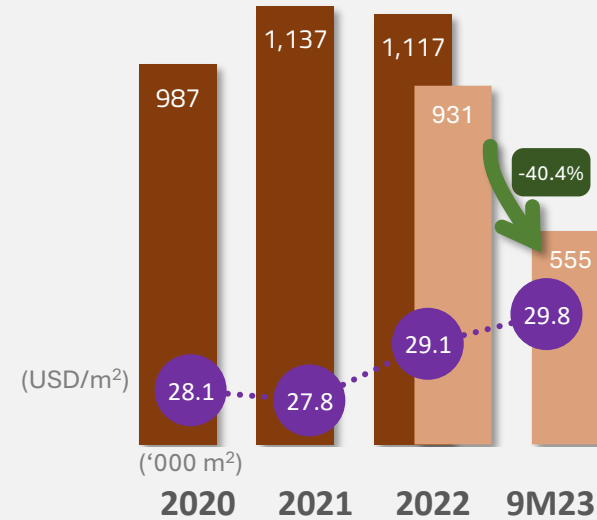
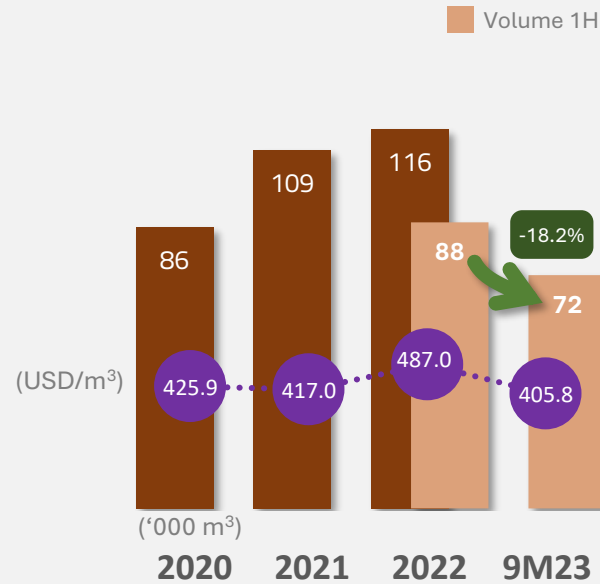
WOOD PRODUCT PERFORMANCE

Sales volume of Wood Product has consistently increased every quarter. In Q3-2023, the panel sales volume saw a rise of 18.2% compared to Q2-2023. Similarly, flooring sales increased marginally by 5.9% in Q3 compared to Q2 of this year. This positive quarterly trend was also accompanied by improved average selling prices (ASP), with panel ASP increasing by 1.7% and flooring ASP increasing by 6.4% QoQ.

On an annual basis, the sales volume has not demonstrated its best performance. Panel products experienced an 18% decline in sales volume due to reduced exports to Japan. Likewise, a similar trend was observed in engineered flooring products, with a year-to-date (YTD) production decrease of approximately 40%, influenced by a decreasing demand from the United States and Canada.

SALES PANEL

SALES ENGINEERED FLOORING

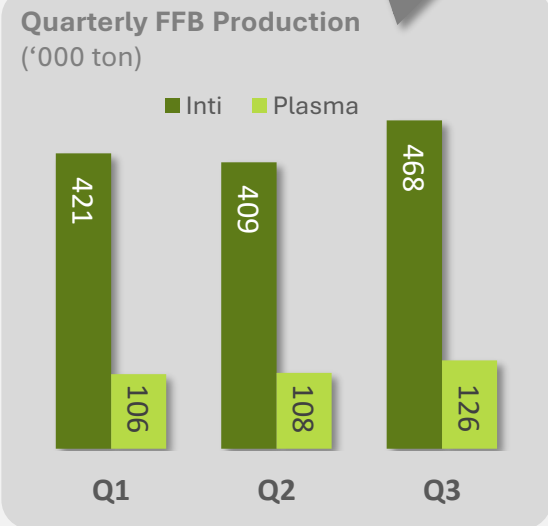
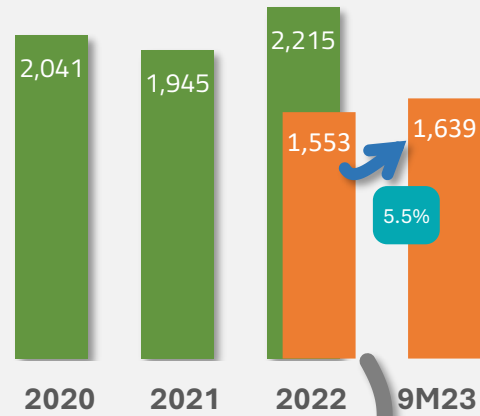


In 9M-23 Wood Product segment contributed 12% to Total Consolidated Revenue, in which the biggest portion came from Panel.

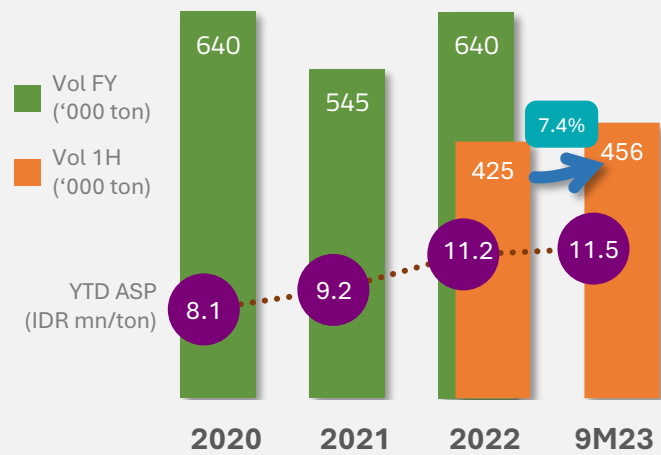
PALM OIL PERFORMANCE

9M23 FFB production increased by 5.5% YoY, with Q3-23 FFB production of both nucleus and plasma exhibited notable increases against the Q2-23 production. The Oil Extraction Rate (OER) has also improved from 22.84% in Q2-2023 to 23.50% in Q3-2023. As a result, CPO, PK, and PKO production QoQ experienced higher yields, with increments of 11%, 13%, and 11%, respectively.

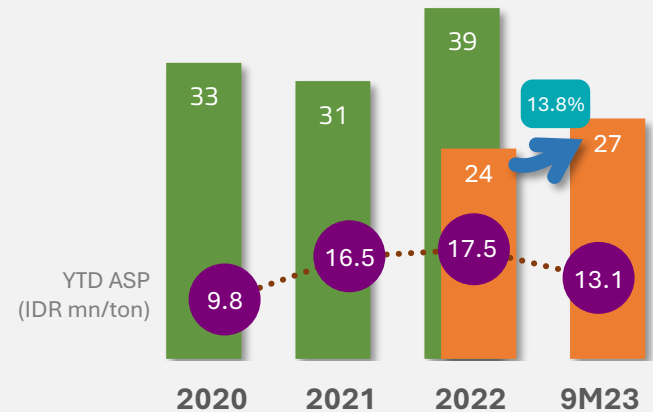
FFB PRODUCTION



CPO SALES

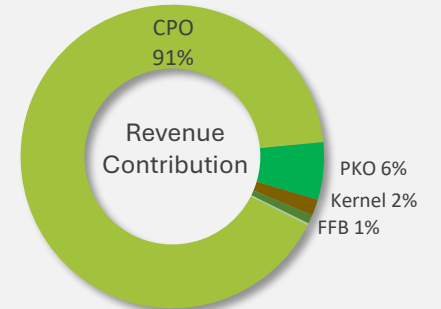


PKO SALES



Due to Weather anomaly, although the phenomenon of El Nino in 2023 can be visibly seen in many areas across Indonesia, its severeness in Kalimantan, where our operation estates are located, is less compared to the southern areas such as Java, Bali, Nusa Tenggara, South Sumatera, and Sulawesi. Thus, we expect the impact of El Nino on our 2024 production will be milder than the previous El Nino.

In 9M-23 Palm Oil Segment contributed 88% to Total Consolidated Revenue.



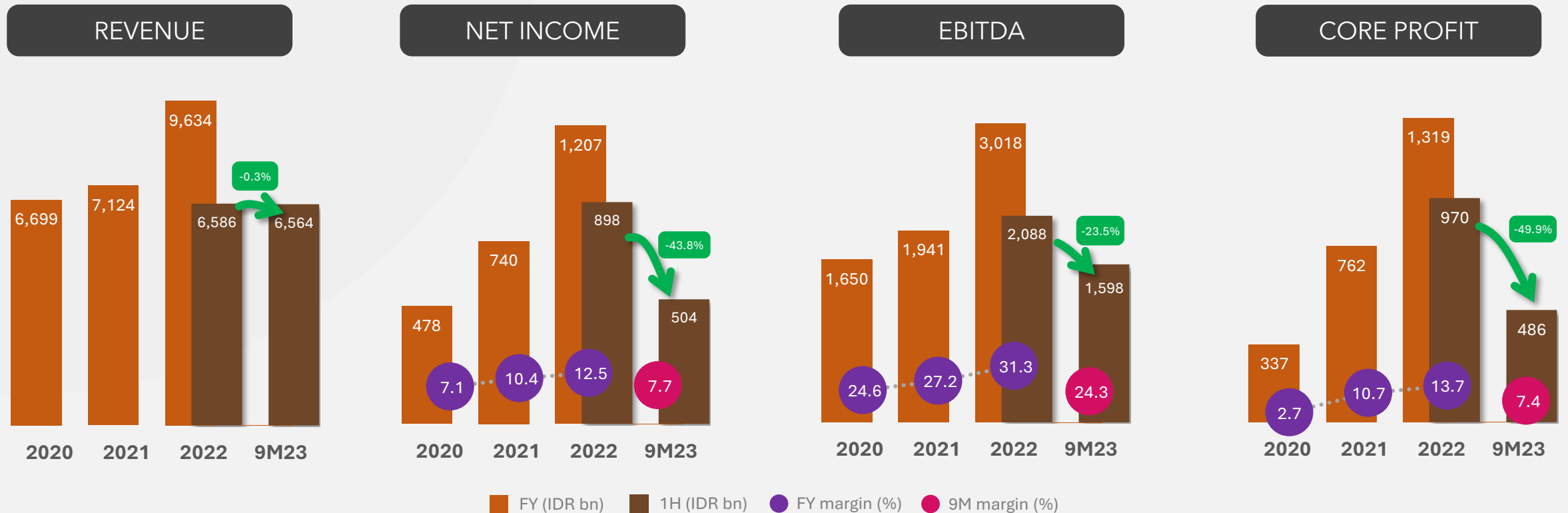
CONSOLIDATED FINANCIAL PERFORMANCE 9M-23

DSNG GROUP



DSNG recorded sales in 9M23 amounted to Rp 6.6 trillion, relatively the same as 9M22. DSNG still enjoyed a higher ASP at Rp 11.5 million per ton compared to Rp 11 million last year, the cost of sales surged by 11% to IDR 4.9 trillion, mainly driven by high fertilizer costs, resulting in a 23.5% drop in EBITDA and 49.9% in Core Profit, respectively. Since the oil palm segment contributed around 88% to consolidated revenue, the volatility in the fertilizer costs as part of the cost of revenue significantly affected our profitability.

Meanwhile, the wood products segment revenue in 9M23 decreased by 33% to Rp 0.8 trillion. The higher-for-longer interest rate environment has contributed to the slowing property markets in the USA, Canada, the EU and Japan, and consequently, low demand for wood products throughout 2023



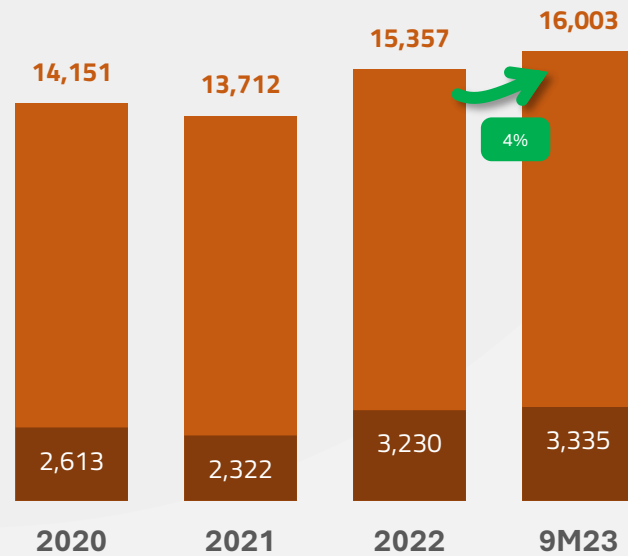
CONSOLIDATED BALANCE SHEET 9M-23



DSNG's total assets grew by Rp 0.65 billion or 4% to Rp 16 trillion, attributed to higher cash balance, inventories and fixed assets from realization of capex. Total liabilities increased by 6% to Rp 7,6 trillion, partly due to the additional utilization of working capital loans and the foreign exchange translation effect on its USD denominated loans following the weakening of IDR against USD

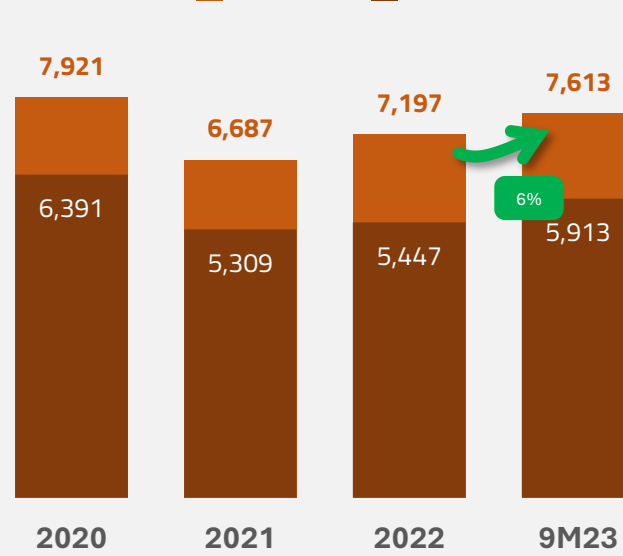
ASSETS

Current Non-Current

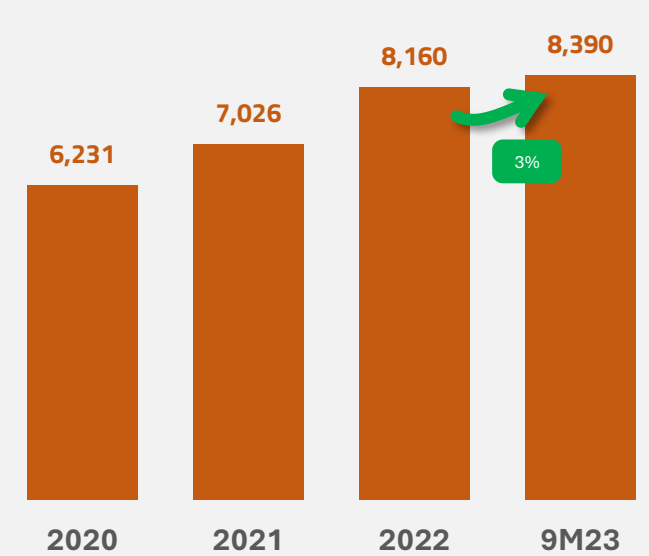


LIABILITIES

Other Debt



EQUITY



Palm Oil Products

	9M-23	9M-22	YoY Δ%	Q3-23	Q2-23	QoQ Δ%	2022	2021	2020
Planted Land ('000 ha)	112.5	112.6	(0.1)	112.5	112.5	-	112.5	112.8	112.6
Nucleus	84.5	84.5	-	84.5	84.5	-	84.5	84.5	84.5
Plasma	28.3	28.3	-	28.3	28.3	-	28.3	28.3	28.0
FFB Production ('000 t)	1,639.4	1,553.5	5.5	594.5	517.2	14.9	2,214.0	1,944.8	2,041.1
Nucleus	1,298.7	1,231.0	5.5	468.3	408.9	14.5	1,758.5	1,568.4	1,675.9
Plasma	340.8	322.5	5.7	126.1	108.4	16.4	455.5	376.3	365.2
FFB Yield (t/ha)									
Nucleus	15.8	15.3	3.4	5.6	4.9	14.6	22.1	19.7	21.1
Plasma	13.4	13.5	(1.2)	5.1	4.3	16.4	18.8	16.2	15.7

Mills

Production ('000 t)									
FFB Processed	2,067.0	1,914.2	8.0	721.6	666.8	8.2	2,809.2	2,362.1	2,711.4
Crude Palm Oil (CPO)	473.9	441.0	7.5	169.6	152.3	11.4	639.5	544.3	636.9
Palm Kernel (PK)	87.0	81.3	6.9	31.5	27.8	13.3	117.6	96.7	114.3
Palm Kernel Oil (PKO)	28.4	25.6	10.6	10.1	9.1	10.5	38.0	30.1	34.0
Yields (%)									
Palm Oil (OER)	22.9	23.0	(0.5)	23.5	22.8	2.9	22.8	23.0	23.5
Palm Kernel (KER)	4.2	4.2	(1.0)	4.4	4.2	4.7	4.2	4.1	4.2
Free Fatty Acid (FFA)	3.0	3.8	(22.4)	3.0	2.8	4.8	3.8	3.3	2.8

Sales

Volume ('000 t)									
Crude Palm Oil (CPO)	456.5	425.2	7.4	157.9	157.9	(0.0)	639.5	544.8	640.4
Palm Kernel (PK)	19.1	18.1	5.6	7.7	6.0	28.5	27.3	24.4	30.9
Palm Kernel Oil (PKO)	27.0	23.7	13.8	10.0	10.8	(8.0)	38.9	31.0	33.0
ASP (IDR mn/ton)									
Crude Palm Oil (CPO)	11.50	11.07	3.92	10.88	11.71	(7.1)	11.18	9.22	8.14
Palm Kernel (PK)	5.12	8.35	(38.66)	4.69	5.43	(13.6)	7.35	6.90	4.06
Palm Kernel Oil (PKO)	13.10	19.62	(33.22)	12.64	13.15	(3.9)	17.48	16.45	9.77

Wood Products

	9M-23	9M-22	YoY Δ%	Q3-23	Q2-23	QoQ Δ%	2022	2021	2020
Sales Volume ('000)									
Panel (m3)	71.6	87.5	(18.2)	27.2	23.0	18.3	115.7	109.4	86.2
Engineered floors (m2)	554.6	930.7	(40.4)	200.0	188.8	5.9	1,117	1,137.2	986.6
ASP (IDR mn)									
Panel (/m3)	6.22	7.38	(15.7)	6.10	6.00	1.7	7.37	6.11	5.69
Engineered floors (/m2)	0.45	0.44	2.3	0.46	0.43	7.0	0.44	0.42	0.39



FINANCIAL SUMMARY

Consolidated

Profit & Loss (IDR bn)	9M-23	9M-22	YoY Δ%	Q3-23	Q2-23	QoQ Δ%	2022	2021	2020
Revenue	6,564	6,586	(0.3)	2,207	2,291	(3.7)	9,634	7,124	6,699
Gross Profit	1,641	2,141	(23.4)	585	533	9.8	3,118	2,025	1,752
% margin	25.0	32.5		26.5	23.2		32.4	28.4	26.1
Operating Profit	981	1,558	(37.0)	348	303	14.8	2,172	1,393	995
% margin	14.9	23.7		15.8	13.2		22.6	19.5	14.9
Net Profit	504	898	(43.8)	468	376	24.3	1,207	740	478
% margin	7.7	13.6		21.2	16.4		12.5	10.4	7.1
EBITDA	1,598	2,088	(23.5)	562	513	7.6	3,018	1,941	1,650
% margin	24.3	31.7		25.5	22.4		31.3	27.2	24.6
Cash flow (IDR bn)									
Cash flow from operations	1,026	1,044	(1.7)	810	216	275.6	1,538	1,056	1,094
Cash flow from investments	(1,139)	(842)	(35.4)	(769)	(371)	(107.2)	(1,297)	(177)	(642)
Cash flow from financing	182	(315)	(157.8)	(204)	386	(152.8)	(350)	(1,063)	50
Financial Position									
Total debt	5,913	5,364	10.2	5,913	5,628	8.5	5,447	5,309	6,391
Net debt	5,477	5,009	9.3	5,477	5,141	7.9	5,078	4,870	5,632
Total Asset	16,003	14,650	9.2	16,003	15,978	12.7	15,357	13,712	14,151
Total Equity	8,390	7,711	8.8	8,390	8,199	13.3	8,160	7,025	6,231
Total debt / equity	0.7x	0.7x		0.7x	0.7x		0.7x	0.8x	1.0x
Total debt / EBITDA	2.4x	2.0x		2.4x	2.1x		1.8x	2.7x	3.9x
Net debt / equity	0.7x	0.6x		0.7x	0.6x		0.6x	0.7x	0.9x
Net debt / EBITDA	2.2x	1.8x		2.2x	1.9x		1.7x	2.5x	3.4x

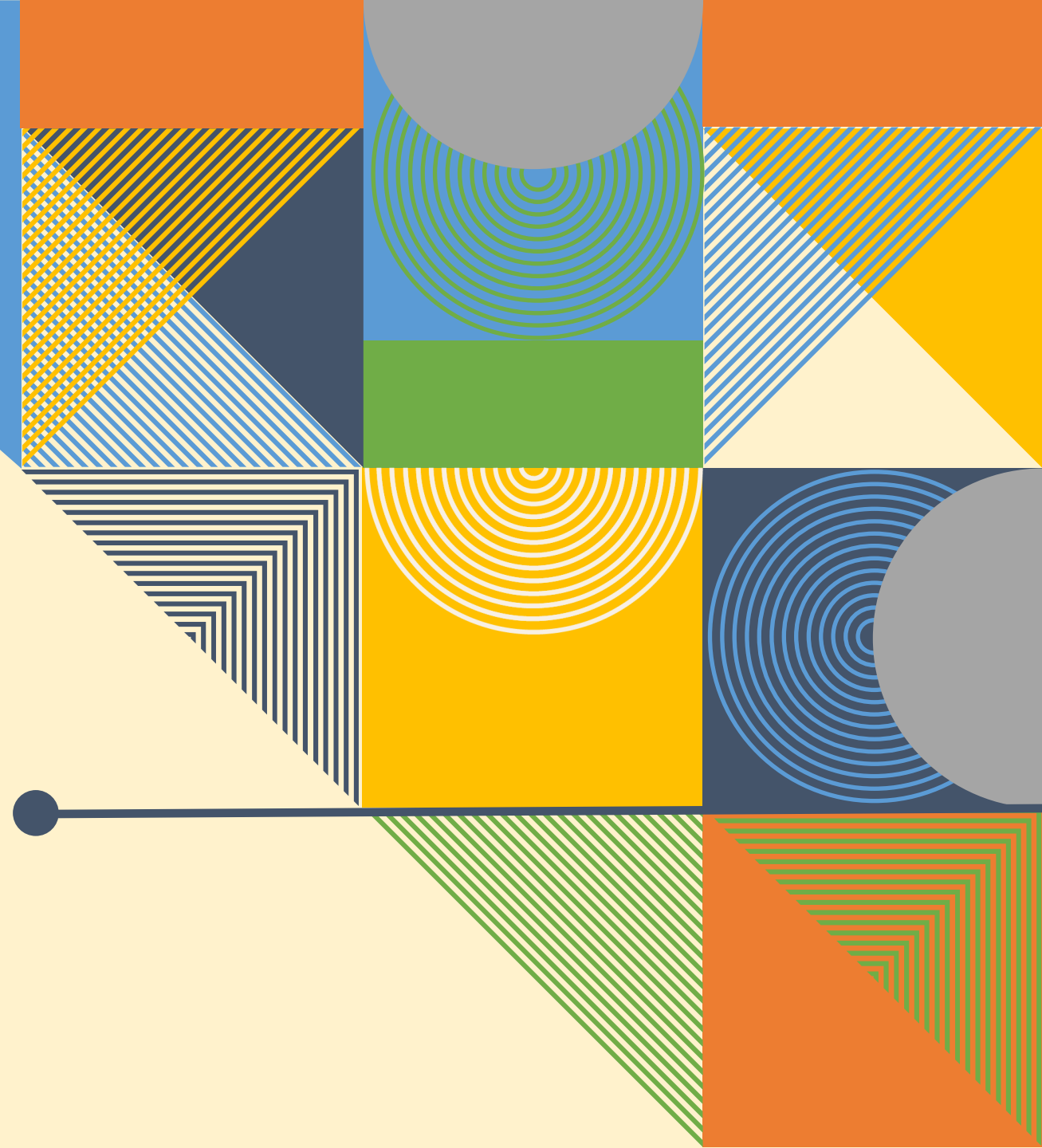
Segmented

Palm Oil (IDR bn)	9M-23	9M-22	YoY Δ%	Q3-23	Q2-23	QoQ Δ%	2022	2021	2020
Revenue	5,771	5,399	6.9	1,918	2,041	64.7	8,117	5,792	5,703
Gross Profit	1,521	1,868	(18.6)	543	508	37.0	2,783	1,730	1,594
% margin	26.3	34.6		28.3	24.9		34.3	29.9	27.9
Operating Profit	1,007	1,479	(31.9)	364	311	(8.7)	2,149	1,342	1,057
% margin	17.4	27.4		19.0	15.2		26.5	23.2	18.5
EBITDA	1,564	1,973	(20.7)	522	530	22.7	2,869	1,833	1,633
% margin	27.1	36.5		27.2	26.0		35.3	31.7	28.6
Profit Before Tax	715	1,145	(37.5)	228	208	(16.2)	1,639	945	783
% margin	12.4	21.2		11.9	10.2		20.2	16.3	13.7
Wood Products (IDR bn)									
Revenue	793	1,187	(33.2)	288	250	(38.3)	1,517	1,332	996
Gross Profit	120	273	(56.0)	42	25	(72.6)	335	294	158
% margin	15.2	23.0		14.7	10.0		22.1	22.1	15.9
Operating Profit	35	169	(79.3)	19	(5)	(108.4)	148	154	29
% margin	4.4	14.2		6.6	(1.9)		9.8	11.5	2.9
EBITDA	85	202	(58.2)	41	21	(67.8)	270	210	109
% margin	10.7	17.1		14.3	8.2		17.8	15.7	10.9
Profit Before Tax	18	139	(87.3)	(0.3)	(11)	(122.5)	97	127	5
% margin	2.2	11.7		(0.1)	(4.6)		6.4	9.5	0.5

Annual financial statements are audited by Siddharta & Widjaja, Registered Public Accountants
a Member Firm of KPMG International



**WE ENSURE THE
SUSTAINABILITY
OF PLANTATION
PRODUCTIVITY**



CONTINUE TO INNOVATE TO IMPROVE PRODUCTIVITY: MECHANIZATION AND TECHNOLOGY APPLICATION



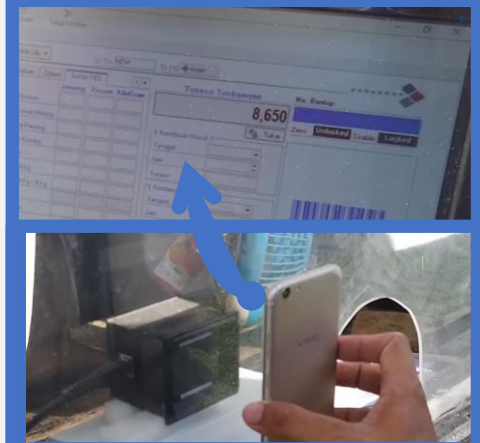
DSNG believes the importance of technology in the future of palm oil industry, to answer the challenges of fulfilling plantation labor, improving CPO quality and cost efficiency. With a total area of 112k hectares, development of mechanization and technology application are DSNG's focus in plantation management. Several initiatives continue to be carried out in the fields of maintenance, fertilization and accelerating the harvesting process.



Mechanized harvesting
(Collecting FFB)



Mechanized harvesting
(Transfer of FFB from tractor to truck)



Electronic Weight Bridge System



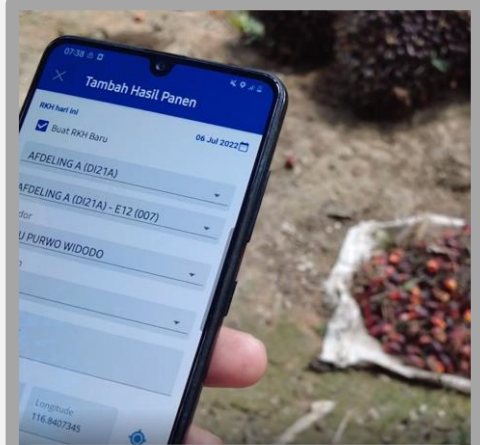
Mechanization of Pest Spraying



Mechanized Fertilization



Mechanization of Pest Control



Electronic Harvesting Report System

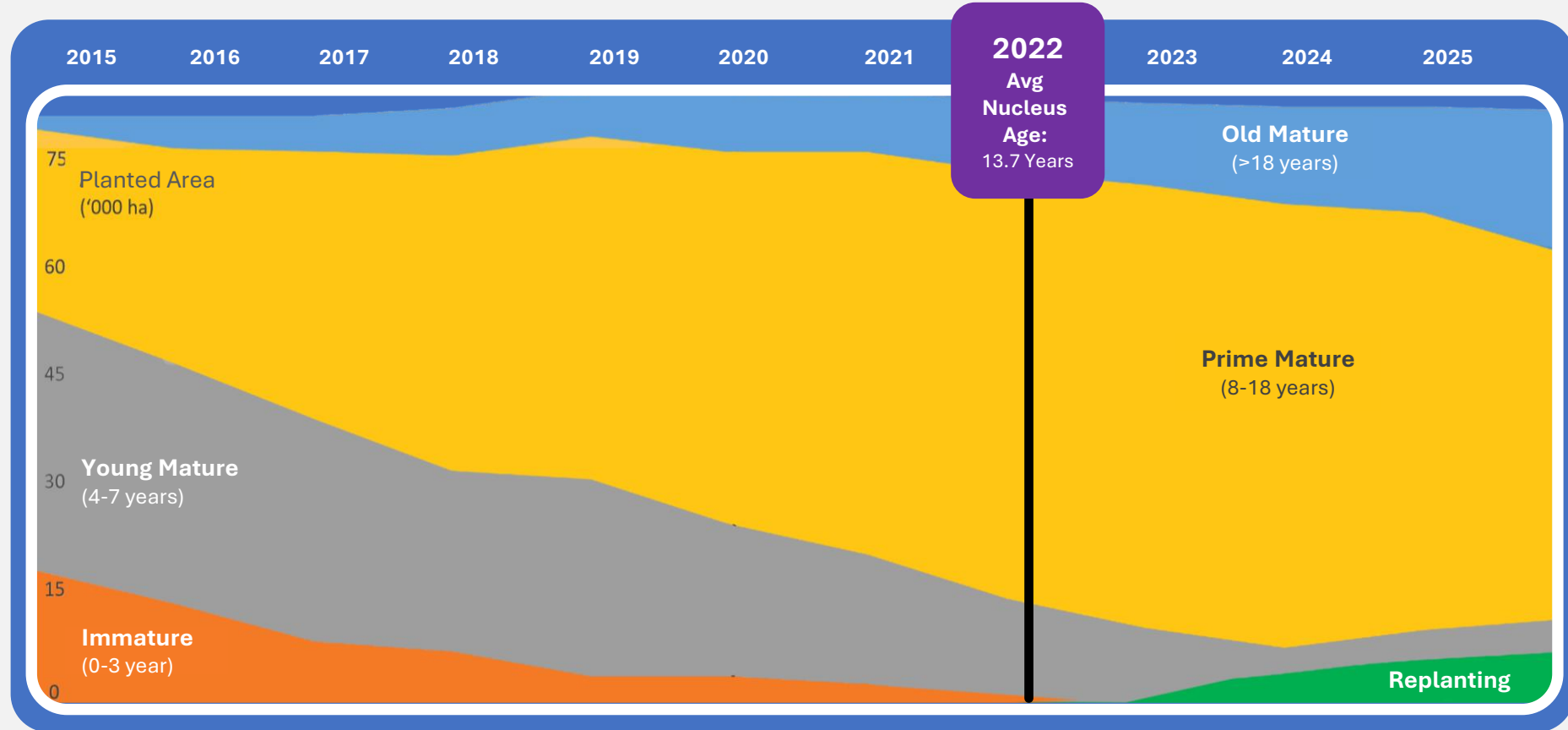
WE KEEP OUR PLANTS PRODUCTIVE:



REPLANTING & HIGH-QUALITY SEED

In 2022 we started the first replacement of 383 ha with a replanting target of 1,000 - 1,500 ha in 2023

DSNG Plantation Profile



GROWING INORGANICALLY

STRATEGIC INVESTMENT & JOINT VENTURE



WOOD
2016

JV with

DAIKEN

PT Dharma Satya Nusantara Tbk (DSN Group), through its subsidiary PT Dharma Sejahtera Nusantara (DSJN), inaugurated a new wood product plant of PT Daiken Dharma Indonesia (DDI), a joint venture company with Daiken Corporation, one of the largest wood products company in Japan.

The factory is located in Surabaya, with total area of 1.9 hectares. DDI plant is a joint venture among four companies that had long experience in global wood products, which are DSJN (subsidiary of DSN Group), Daiken Corporation of Japan, PT Marufuji Kenzai Indonesia and PT Suseta Daiken Indonesia. DDI will produce doors for local market.

AGRO
2016

Strategic Investment

The logo for REA KALTIM PLANTATION, featuring a stylized green plant icon and the text 'REA KALTIM PLANTATION'.

DSN has reached a conditional agreement with R.E.A. Holdings plc (“REA”), a UK-listed company, to acquire a 15% investment in the company’s principal operating subsidiary in Indonesia, PT REA Kaltim Plantations (“REA Kaltim”).

REA Kaltim and its subsidiaries are principally engaged in the cultivation of oil palm in East Kalimantan and in the production of crude palm oil and crude palm kernel oil.

As of 31 December 2015, REA Kaltim and its subsidiaries have a total palm oil planted area of 37K ha

AGRO
2020

JV with

The logo for erex, featuring a stylized orange 'e' icon and the text 'erex' in orange, with a Japanese flag icon to the right.



BIOMASS:
Palm Kernel Shell

DSNG utilized the solid waste of palm oil such as Palm Kernel Shells (PKS) and the Empty Fruit Bunches (EFB) to achieve a zero waste.

As PKS now has become a popular biomass as an essential feedstock for many Japanese independent power producers to boost the proportion of low- to zero-carbon-emitting power generation, DSNG can monetize PKS by establishing a JV with Erex, Japan and secured a 15-year long-term sales contract for up to 140,000 tons PKS annually to EREX, Japan.

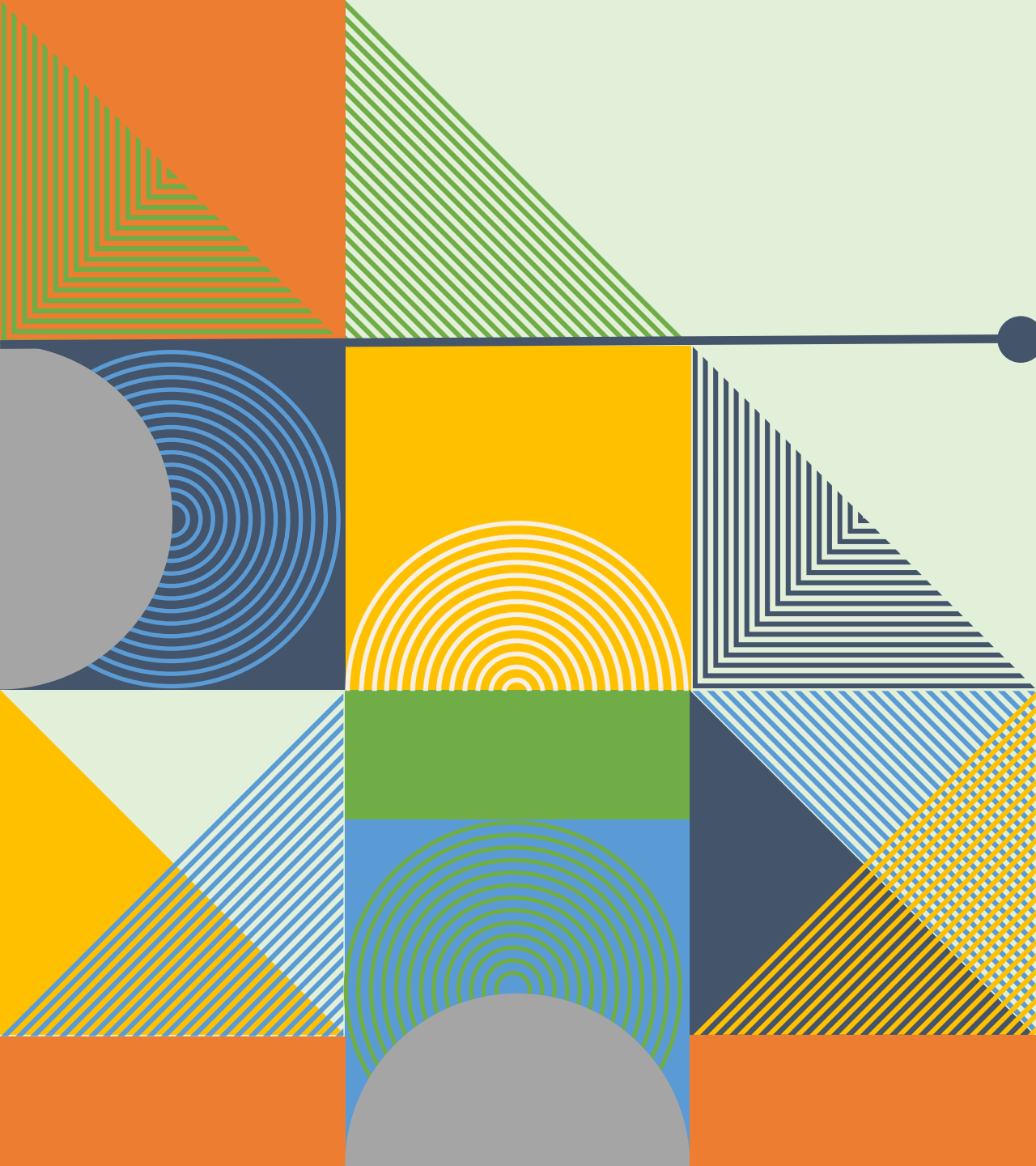
AGRO
2020

JV with

The logo for Verdant BIOSCIENCE, featuring a stylized green plant icon and the text 'Verdant BIOSCIENCE'.

The plantation replanting will utilize a superior seeds from several varieties, including the seeds that have been developed by Verdant Bioscience Pte Ltd, Singapore, in which DSNG has a strategic investment since 2020.

Verdant seeds are superior seeds that have ability to produce high FFB yields at an earlier age so that production recovery from the replanting process will be faster.



OUR SUSTAINABILITY COMMITMENTS

DSNG realizes that sustainability practices cannot be separated from our business activities. Therefore, we continue to commit to sustainable practices by focusing on communities, forests, and climate.

COMMITMENT TO SUSTAINABILITY

DSNGROUP



Forest Pillar

11,876 ha

Total conservation area managed by the company (8,728 Ha within our concession and 3.148 Ha off concession) that has been published in RSPO's ACOP and area of the Off Concession Conservation Area (OCCA).

96 %

The proportion of total FFB supply (from nucleus, plasma, and other suppliers) for Palm Oil Business Unit that was formally registered and acknowledged our NDPE Policy.

100 %

Wood raw material for the Wood Business Unit have been traced.

156 ha

Conservation forest managed with the local community of Laman Satong Village Forest through the RaCP scheme.

2,072 ha

Area of forest jointly managed by PT PWP Central Kalimantan and PT AAN West Kalimantan with the local community.

SMART Patrol

Established as a standard application tool for our biodiversity monitoring.

6 Villages

With our support, these villages formed their smallholder fire-fighting group (KTPA) in Muara Wahau and Kongbeng Sub-Districts, Kutai Timur.

3,148 ha

Off Concession Conservation Area (OCCA) in the Memorandum of Understanding (MoU) executed between DSNG - USAID SEGAR and the LPHD (Village Community Empowerment Agency) of Karangany Dalam.

10 units

Camera traps mounted in the HCV areas of 5 subsidiaries as part of our biodiversity monitoring tool.

COMMITMENT TO SUSTAINABILITY

DSNGROUP



Climate Pillar

104,513 m³

Volume of POME waste was processed at Bio-CNG Plant to generate 7,703,401 kWh electricity.

10,003 tCO₂e

Equal to emission of 3,749,977 liter of diesel being deducted from the use of Biogas Engine and Bio-CNG.

1,38 GWh

Maximum electricity that can be generated from Solar Power Plant (PLTS) of 8,703 m².

1035 tCO₂e

Reduced emission due to the installation of Solar Power Plant.

0.23 m³

Reduced intensity of processed water per ton of processed FFB compared to that of 2021.

2,128,900 m³

Palm Oil Mill Effluent (POME) that is treated within regulatory standards and applied for fertigation into our estates.

5,355 tCO₂e

Reduced emission due to the operation of 8 Bio-CNG trucks.

21,000 ton

Palm oil shells were exported to Japan as material of biomass power plant.

COMMITMENT TO SUSTAINABILITY

DSNG GROUP



Community Pillar

64 persons	Local community members participated in our socialization to prevent child stunting.
250 persons	From the Dharma Utama School, Muara Wahau received a full dose of Covid-19 vaccination facilitated by DSNG.
14 units	Permanent field toilets built in our palm oil plantation in Muara Wahau for our palm oil maintenance crews and harvesters. Each unit had separate toilets for males and females.
18 villages	Received provision of maintenance and repairs for access roads, settlement roads and village roads.
2,874 parents & kids	Involved in the outreach to raise awareness for the protection and fulfilment of children's and women's rights.
1,633,215 seeds	Cumulative total of Jabon tree seedlings up to the end of 2022 provided to farmers in Temanggung, Purworejo, Wonosobo, and Banjarnegara Districts, Central Java, to diversify their tree plantings and provide added value in their farms.
5,243 farmers	Independent Palm Oil Smallholders in East Kalimantan received training from DSNG on Best Practices for Oil Palm cultivation.
57 cooperatives & 4 CU	Established to provide access to micro funding for local business opportunities and agriculture with a total asset value of Rp 97.19 billion.
6 cooperatives	Whose members are independent smallholders in Muara Wahau-Kongbeng, have agreed to pursue sustainable palm oil development and are currently in the process of obtaining RSPO and ISPO certification.
1,246 people	Involved in the activities of transporting FFB.
3 new business	New community-based business established in the food, ecotourism, and service sectors as an alternative to palm oil-related livelihood.
81 ton	Rice supplied by the BUMDES (Village owned Enterprises) of Miau Baru to DSNG for its employees in Muara Wahau, with a total purchase value of around Rp 900 million. DSNG's CSR team supported and worked closely the BUMDES of Miau Baru to establish local rice plantings by the local community.
Adiwiyata School Award	Awarded by the East Kutai Regency and East Kalimantan Province Environmental Service to the Dharma Utama School (SDU) in recognition of the school's environmental friendly initiatives.
2 cultural heritage sites	Received support from the Company through collaboration with the local community of four villages (Dea Beq Village, Diaq Lay, Bea Nehas, Tepian Langsat Village)

COMMITMENT TO SUSTAINABILITY

DSNG has formed the SUSTAINABILITY ADVISORY BOARD & PROGRAMS (SAB)

The SAB provide guidance and recommendation towards achieving DSNG's aspirations to become a leader in good corporate governance and sustainable business practices.

Chairman DATUK DARREL WEBBER

is the former CEO of RSPO, a global multistakeholder initiative, transitioning a global agricultural commodity towards sustainable production and consumption.



He is currently the Managing Director – Global Forest Strategy for the Earth Innovation Institute. In his role he is leading a new initiative to promote sustainable jurisdictions across 10 countries.

Darrel has served in Shell, New Britain Palm Oil and WWF before. He is on the Board of ISEAL Alliance and a Trustee for the Southeast Asia Rainforest Research Partnership (SEARRP).

Member MICHAEL SCHLUP

is a Partner and Managing Director at Sail Ventures, the Dutch investment advisory boutique for the &Green Fund (www.andgreen.fund).



He is the founder and long-term director of the Gold Standard, a carbon project certification scheme established under the auspices of WWF. He worked in sustainable energy finance at the UNEP Collaborating Centre BASE.

He is also a trained geographer and has a degree in Environmental Management and Policy.

Member TIMOTHEUS ARIFIN C

Board of Director PT Dharma Satya Nusantara Tbk



Member DENYS MUNANG

Chief Sustainability Officer
PT Dharma Satya Nusantara Tbk



DSNG Group has started the following sustainability initiatives :

• ESMS & Policy Enhancements

DSNG to finalize its Environmental Social Management System consistent with IFC Performance Standard which will guide its journey to enhance its E&S policies and systems.

• &Green LPP & ESAP

Consistent with its transparency commitment all LPP & ESAP achievements will be independently audited and published. The audit has been started from 29th January 2021 and will complete by April 2021.

• IFC – PS Training & Socialization

In line with our commitment to meet IFC PS standards, DSNG will roll out IFC PS training, workshop on child protection and socialization on Human Right and worker-related regulation.

• Certification Plan

In addition to existing 10 Palm oil mills that have been RSPO and/or ISPO certified, in 2021 one mill is also under RSPO certification process

• Net Zero Carbon Aspiration

DSNG's joins effort to address the Climate Change Emergency. We are in the early stages of our Net Zero aspiration to decarbonize our operations. We will begin scoping and measurement of our Carbon Emissions, as well as continue with our decarbonization projects such as methane capture.

• Go Home Safe

Although our LTIFR (Lost time injury frequency rate) at 4.5 is below our Peers for the industry, we continue our effort to reduce this by at least 20% every year. Our Go Home Safe Program will focus on robust measurement, diligent analysis, focused solutions and behavioral based safety approach to improve our LTIFR.

• SMART Patrol – ZSL

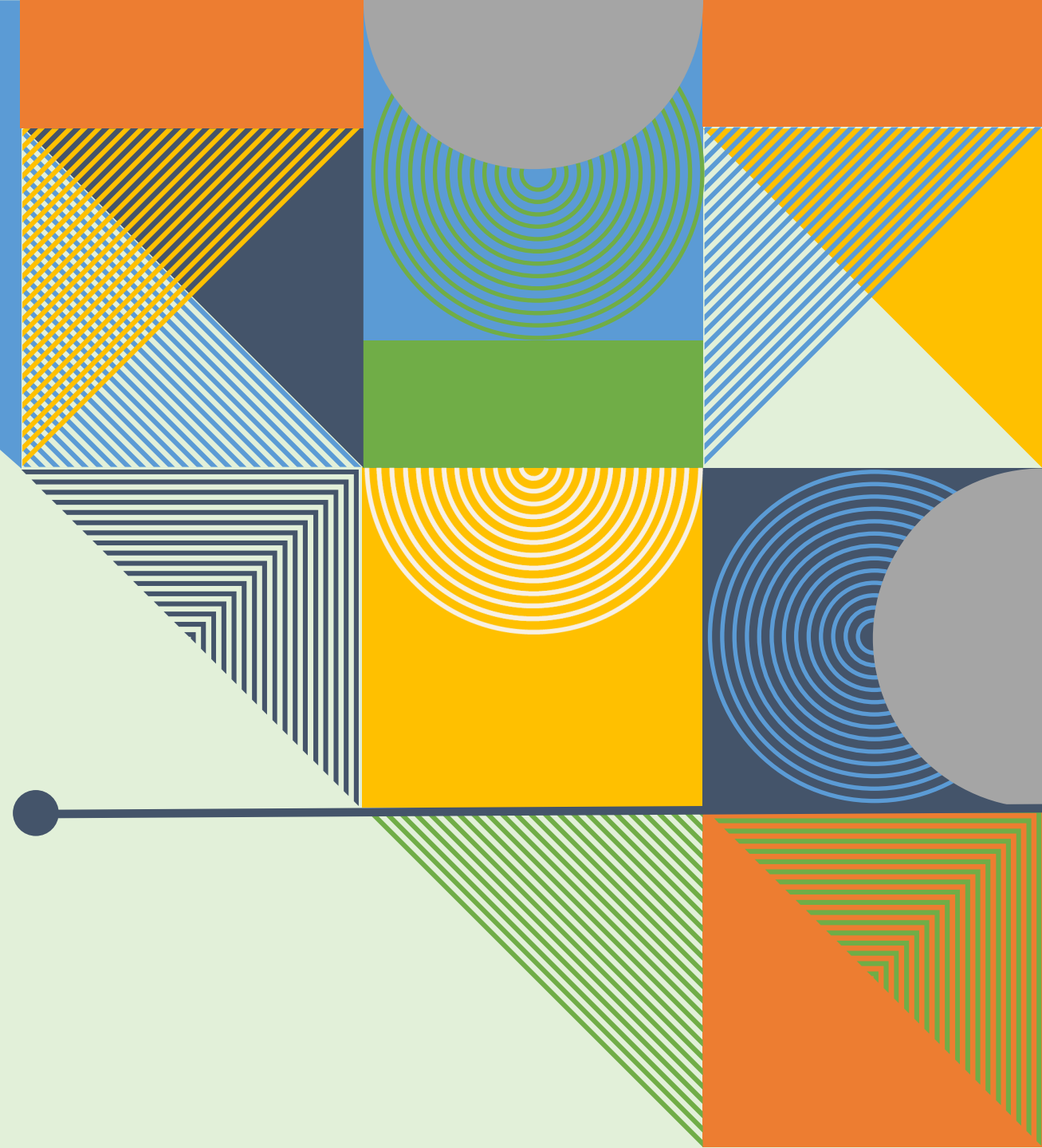
DSNG will utilize SMART Patrol application developed by ZSL to enhance our HCV and biodiversity monitoring system. SMART Patrol enables real time monitoring and provides connectivity among the HCV monitoring team to collect data of different areas. SMART systems allows automated reporting according to our needs and purposes

• Sustainability Advisory Board (SAB)

DSNG has established the SAB, led by Datuk Darel Webber, the former Chairman of RSPO together with Board Member, Michael Schlup of the Sail Venture, an expert on climate change and carbon financing mechanism as independent members



SUSTAINABILITY IN ACTIONS



SUSTAINABILITY INITIATIVES IN EMPOWERING COOPERATIVE

DSNG actively assists cooperatives in obtaining funding from Bank. This assistance is expected to help Cooperatives in understanding financial literacy especially how to obtain funding from financial institution, which at the end will help them to expand their business.

BUMDES TEPIAN BINA BERSAMA



Has obtained financing

21
COOPERATIVES

+

2
BUMDes
Badan Usaha Milik Desa

KOPERASI PERMATA JAYA

Alhamdulillah 1 Muharram.
Terima Kasih PT. BAS DSNGROUP yg sdh membantu menjembatani sekaligus sebagai penjamin pengadaan aset Koperasi Permata Jaya.

#DSNG
#PTBAS
#KPJ

SUSTAINABILITY INITIATIVES IN PALM OIL



Bio-CNG Plants

1st Bio-CNG plant has produced 13,453,401 kWh or the equivalent of reducing 3,749,977 liters of diesel over 2022

DSNG is proud to be the 1st company successfully built Bio-CNG plants from POME (Palm Oil Mill Effluent) to creating a zero-waste and circular economy.

The 1st plant has been commercially running since September 2020 and can process POME from a CPO mill with a capacity of 60 tons FFB per hour.

The 2nd plant will be up and running in Q2-23, twice the size of the first plant.

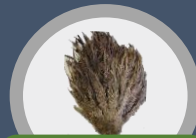


Biomass: PKS & EFB JV with erex

In 2022, DSE exported 21,000 tons of Palm Kernel Shells to eRex.



Palm Kernel Shell (PKS)



Empty Fruit Bunch (EFB)

DSNG utilized the solid waste of palm oil such as Palm Kernel Shells (PKS) and the Empty Fruit Bunches (EFB) to achieve a zero waste.

As PKS now has become a popular biomass as an essential feedstock for many Japanese independent power producers to boost the proportion of low- to zero-carbon-emitting power generation, DSNG can monetize PKS by establishing a JV with Erex, Japan and secured a 15-year long-term sales contract for up to 140,000 tons PKS annually to EREX, Japan.

In the absence of PKS as the existing feedstock for boilers at palm oil mills, DSNG has started to upgrade its EFB as the alternative feedstock to replace PKS.

By doing this, DSNG can reduce the methane emissions from the decomposition of EFB if they are applied as fertilizer throughout the plantation area

Collaboration in an Off-Concession Forest Conservation Program, DSNG & USAID SEGAR Sign MOU

The OCCA program is one of tangible manifestations of DSNG's commitment to sustainable palm oil practices. This program is also part of DSNG's commitment to green investment from & Green.

This collaboration targets two areas that are important for conservation, which are Karangan Dalam Village (3,148 Ha.) and Tepian Langsung Village (395 Ha.) in East Kutai Regency, East Kalimantan Province. The two areas were chosen because of its proximity to the DSNG plantation area, its high conservation value, and high degradation potential. Some areas in the Karangan Dalam and Tepian Langsung Village Forests have even been degraded due to forest and land fires in the past.

Emission Reduction Up to 44% by 2030

BASELINE CARBON SCOPING



DSNG assigned South Pole and Asia Biogas, two global consultants specializing in emission reduction projects and climate actions to begin its Greenhouse Gas (GHG) Emission Scoping and Climate Risk Assessment.

This step officially marks DSNG's structured journey towards its ambition to achieve a Net Zero aspiration. The actions involve reducing emissions, adapting to climate change risks, and aligning itself to Indonesia's Nationally Determined Contribution (NDC), which targets to reduce emission up to 44% by 2030.

SUSTAINABILITY INITIATIVES IN WOOD



Solar Panel

During 2022, the solar power plant at Wood Product Factory

16,000 m² Solar panel were fully installed on the factory roof to reduce electricity consumption & carbon emission

Generating 2 Megawatt (MW) or ~approx. 2.4 mn kwh/yr of clean renewable electricity



Jabon Tree Seedlings for Farmers

Up to end of 2022, a cumulative total of 1,633,215 Jabon tree seedling has been distributed to farmers in Temanggung, Purworejo, Wonosobo, and Banjarnegara Districts, Central Java.

To ensure a sustainable wood material supply chain, especially jabon species, starting since 2020 the company has engaged with a substantial numbers of small independent farmers in Central Java. By end of 2022, there were 8,350 farmers who are members of 143 farmer groups, including 502 woman farmers.

The seedling program was also aimed to increase welfare of the smallholders in our supply chain, improvement of literacy including financial literacy, and empowerment of woman farmers.

WATER CONSERVATION

DSN commits to water conservation by reducing groundwater usage and discharged water over the next six years. This water conservation program has become one of DSN's Key Performance Indicators (KPI) in the Sustainability-linked Loan granted by Asian Development Bank (ADB) in 2023.

Targets	2023	2024	2025	2026	2027	2028
Target volume of ground water usage (in m3, annual)	37,560	36,600	35,400	34,200	33,000	31,800
Target volume of discharged water (in m3, annual)	7,920	7,080	6,000	4,800	3,600	2,400



INDEPENDENT PARTY RECOGNITION OF DSNG SUSTAINABILITY INITIATIVES



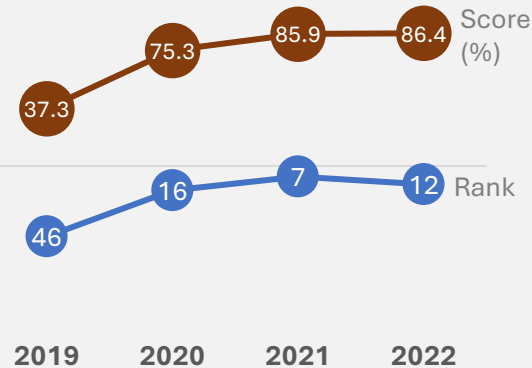
<https://www.spott.org/palm-oil/>

2022 : Ranked 12th globally with total score 86.4%

In 2022, DSNG SPOTT ranking score increased from 85.9% to 86.4%, even though in terms of ranking, it fell from 7th to 12th. This will be a challenge for us to continue improving sustainability initiatives in all our operational activities in the future.

Rank	Company	HQ
1	Wilmar International Ltd	Singapore
2	United Plantation Bhd	Malaysia
3	Apical Group	Singapore
4	Austindo Nusantara Jaya Tbk	Indonesia
5	Agropalma Group	Indonesia
6	Musim Mas Holding Pte Ltd	Singapore
7	Sime Darby Platation Bhd	Malaysia
8	AgroAmerica	Guatemala
9	Daabon Group	Colombia
10	R.E.A. Holdings plc	UK
11	SIPEF	Belgium
12	Dharma Satya Nusantara Tbk	Indonesia

DSNG SPOTT
Ranking & Score



INTERNATIONAL INSTITUTION

IMPACT FUND
USD 30 MILLION

SUSTAINABILITY
LINKED LOAN
USD 15 MILLION

Stichting andgreen.fund



CONTRIBUTORS:



www.andgreen.fund

Asian
Development
Bank

ADB

www.adb.org



Thank You

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