

Monitoring

Our monitoring activities are carried out to ensure that the FFB supplied to our mill does not come from clearing land in forest, HCS, HCV and peat areas. And we also work with buyers to inform deforestation alerts for us to verify in the field.



Responsible Sourcing - AEP

Our efforts to monitor deforestation within FFB supplier concessions are supported by our buyers, through their databases and information platforms. Like GAR, which delivers deforestation alerts for us to verify in the field.

We also work with other key stakeholders through collaborative initiatives and platforms to support the wider implementation of our commitments and other conservation activities.

The following are the monitoring stages that we carry out in verifying the deforestation alerts we receive from our buyers:

- Set up deforestation alerts that we get from buyers
- Prepare maps of FFB suppliers, maps of nucleus estates, plasma, partnerships and maps of smallholders.
- Overlay the estate boundary map with deforestation alerts.
- Map of alert locations within and close to the estate boundary is carried out by ground thruthing to ensure changes in the field.

Ground truthing location:

- Location coordinates with GPS
- Conditions that occur in the field, as a description of existing findings.
- Photo of location photo equipped with geotagging.
- Interviews with people met in the field, for example: land owners, when did the clearing occur/Land use before and after, types of crops.

Form monitoring :


No. Alert	Alert date	alert location coordinates	alert inside / outside concession	Action Plan

The status of traceability of the independent smallholders to date May 2024 was as follows:

PT. UKINDO		PT. TRJ		PT. BPJ		PT. AAU		PT. MPM		PT. SGM	
Traceable	Unknown	Traceable	Unknown	Traceable	Unknown	Traceable	Unknown	Traceable	Unknown	Traceable	Unknown
63	0	59	0	117	0	119	0	162	0	106	0

We monitor all suppliers with GFW alerts. Each independent smallholder that supplies to our Mill we identified through form TtP (Traceability to Plantation). We checked all independent smallholders to ensure no deforestation.

Also, for monitoring and early warning systems using websites, such as :

-  <https://sipongi.menlhk.go.id/>
-  <https://spartan.bmkg.go.id/>
-  <https://www.globalforestwatch.org/>

AEP has access to the satellite data system which generates biweekly updates to an online platform for monitoring the status of forest cover and land-clearing activities within and around the company's estates. The area of interest for monitoring purposes includes all of the company's concession areas and areas outside the concessions, thereby covering the entire FFB supply chain including all independent smallholders and other outgrowers.

FIRE MONITORING AND MANAGEMENT

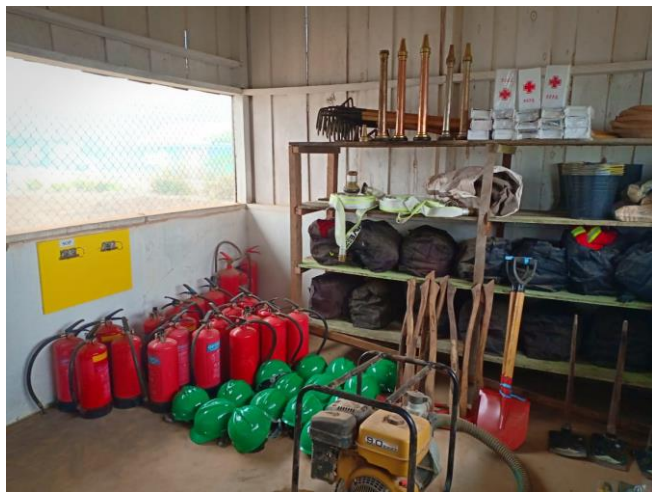


AEP has implemented an integrated policy prohibiting deforestation, peat harvesting, and exploitation to mitigate the haze in the region actively. This policy applies to all AEP operations across the globe, including those of our affiliates and outside vendors. We keep an eye out for fires in every concession owned by AEP as well as the areas around them. To further establish sustainable practices across the business, we complement these initiatives with multi-stakeholder collaborations and community education and awareness campaigns.

No burning and no deforestation.

The stringent No Burning policy is one of the main components of the No Deforestation pillar. The use of fire for the development or preparation of land is not acceptable to us. When developing land, mechanical techniques are used, and wood waste is allowed to decay. As a result, the land receives more nutrients and requires less inorganic fertilizers, which lowers the land's carbon footprint. Since we haven't increased the amount of land we have planted in Indonesia, AEP hasn't had any compelling reasons to clear land recently. We have informed all of our suppliers that intentional violations of our No Burn policy would result in the instant end of our business relationship.

ACTIVE FIRE MONITORING AND RAPID RESPONSE



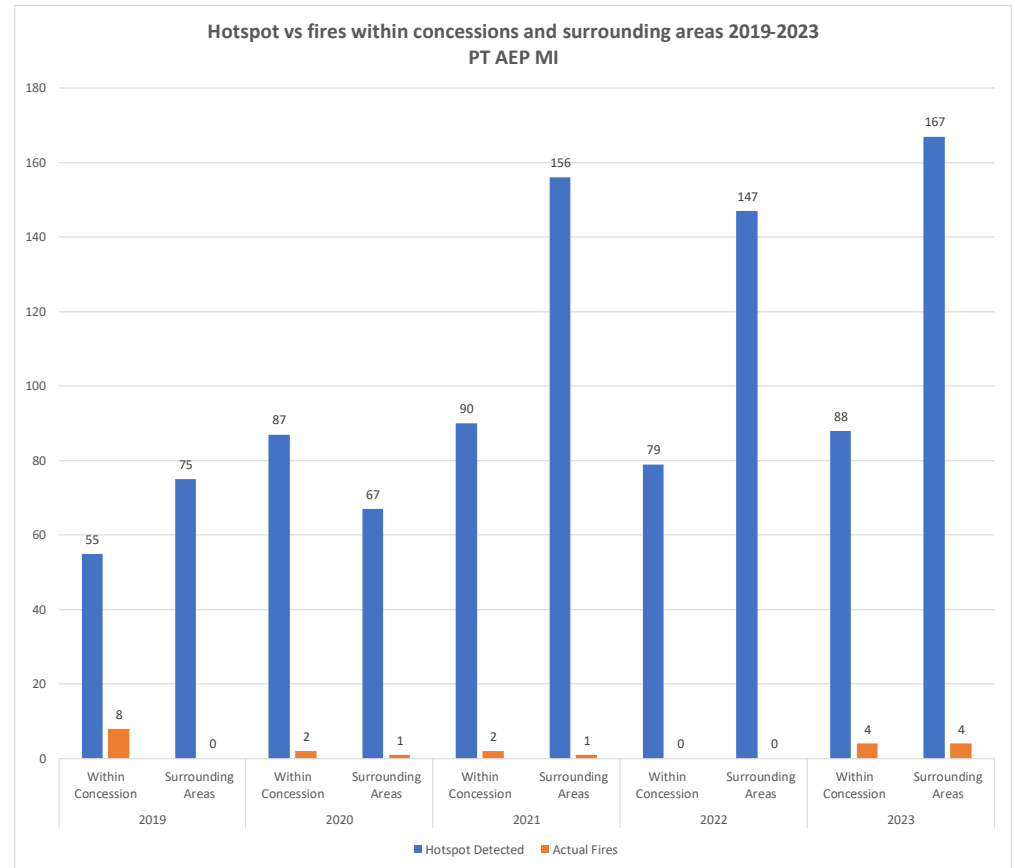
AEP has a well-established fire prevention and suppression program in place to lessen the incidence and impact of fire and haze, as well as a fire monitoring system in place to notify us of flames in and around our concessions. Our concessions are manned by an on-site fire crew and furnished with firefighting apparatus and infrastructure. Personnel on the ground are also educated to remain watchful and ready to act swiftly and decisively in the event of a fire.

The majority of our monitoring system is now in use in Indonesia due to the country's higher fire incidence rate. Fires may occasionally break out in our concessions despite our best efforts, especially during the dry season. The majority of these fires start in two places: (i) outside of our concession areas and have been driven into them by wind and topography; or (ii) inside our concessions in enclaves that are set aside and managed by small-scale farmers and local populations that still engage in slash-and-burn farming. We maintain thorough records of every fire event, complete with photos and information on the cause, extent, and behavior of the conflagration and the impacted region's location and size. Since it is forbidden to burn forests in Indonesia, police reports are submitted for every fire incident.

Hotspot vs fires within concessions and surrounding areas 2019-2023

	2019		2020		2021		2022		2023	
	Within Concession	Surrounding Areas	Within Concession	Surrounding Areas	Within Concession	Surrounding Areas	Within Concession	Surrounding Areas	Within Concession	Surrounding Areas
Hotspot Detected	55	75	87	67	90	156	79	147	88	167
Actual Fires	8	0	2	1	2	1	0	0	4	4

No	Month	Location	Land Size	Description
1	09 August 2019	PT SGM (BBE1, Div.4)	± 1.2 Ha	180 palms were burn
2	15 September 2019	PT SGM (BBE2, Div.3 Blok C & J)		4 palms were burn
3	22 September 2019	PT SGM (TIE Div.4 Blok Q4)		3 palms were burn
4	18 November 2019	PT SGM (TIE Di.6 Blok D6)	± 0.3 Ha	35 palms were burn
5	18 September 2019	PT BML (Plasma Blok B7)	± 3 Ha	18 palms were burn
6	16 September 2019	PT HPP (Blok J)		4 palms were burn
7	12 Agustus 2019	PT Tasik Raja (T.Idaman Div.2 Blok I2)		23 palms were burn
8	14 Agustus 2019	PT Tasik Raja (T. Harapan Div.7 Blok F7)	± 0.13 Ha	17 palms were burn
9	12 Juli 2020	PT AAU (Sumindo) Perumahan G2		
10	Desember 2020	PT HPP (Div. 02 Blok B27-28-29 dan Div. 04 Blok B35-36-37)	± 15 Ha	Pringgian (Surrounding Areas)
11	12 Oktober 2020	PT Tasik Raja (T.Estate J4)	± 0.5 Ha	27 palms were burn
12	Februari 2021	PT HPP (Div 01 Blok E3)	± 1 Ha	Pringgian (Surrounding Areas)
13	27 Februari 2021	PT. BML (Perumahan Div 3 Blok F25)	± 0.35 Ha	40 Palms Were Burn
14	25 Januari 2021	PT CPA (Perumahan Karyawan Div.4 Barak G8)		
15	30 Agustus 2023	PT SGM (Plasma TIE Blok A1)	0.1 Ha	16 palms were burn
16	30 Agustus 2023	PT SGM (Plasma BBE-1 Blok A)	4 Ha	42 palms were burn
17	05 September 2023	PT SGM (Plasma-BBE-2 C Blok N)	0.3 Ha	40 palms were burn
18	29 September 2023	PT MPM (Perumahan Karyawan Div.3 G2)		
19	Mei 2023	PT HPP (Div.04 Blok A21)	± 3 Ha	Pringgian (Surrounding Areas)
20	Mei 2023	PT HPP (Div.06 Blok R1)	± 4 Ha	Pringgian (Surrounding Areas)
21	Juni 2023	PT HPP (Div.02 Blok F5/6)	± 1 Ha	Pringgian (Surrounding Areas)
22	Juli 2023	PT HPP (Div.01 Blok D8 dan D9)	± 1 Ha	Pringgian (Surrounding Areas)



We forbid the use of fire in any of our operations or those of our suppliers, and we keep a close eye out for hotspots in our estates and the neighborhood. In addition, we use satellite monitoring to keep an eye out (Glad alerts and GFW platform) for hotspots around our concessions and the adjacent areas, and we educate firefighters to respond quickly to fire outbreaks.

We discovered 88 hotspots in our concessions in 2023; four of these were found to be flames that were destroying 4,4 hectares of planted land in Kalimantan. In the vicinity of our estates and concessions, we found an additional 167 hotspots, of which 4 were determined to be fires that destroyed about 9 hectares of land. 2023 saw higher fires still occur as a result of reckless cigarette disposal, open-land burning in communities, and other unidentified causes.

AEP has taken early steps to prepare for the anticipated El Niño weather phenomenon in 2024, which is predicted to elevate global temperatures and heighten the risk of fires. The implementation of fire breaks and water ponds at key locations to act as barriers against the spread of fires, as well as the formation of specialized teams at regional head offices to monitor satellite data and swiftly address hotspots found in and around our operations, are some of the steps being taken to increase awareness among workers, employees, and community members.