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Bentoel Group accelerates local ESG following global sustainability success

- BAT Group releases its fourth Combined Annual and Sustainability Report
- The report highlights BAT's global progress towards sustainability goals and Indonesia's positive contribution towards this.

Jakarta, Indonesia, [16 May 2024]: The British American Tobacco (BAT) Group has released its Combined Annual and Sustainability Report detailing strong ESG performance globally. The report highlights the Group's global progress across a number of key areas, including:

- **Reducing greenhouse gas emissions in line with climate science:** 33.1% reduction in Scope 1 and 2 greenhouse gas emissions in 2023, and a 12.48% reduction in Scope 3 emissions in 2022 vs 2020 baseline.
- **Promoting a circular economy:** 28.2% reduction in operational waste generated (vs 2017 baseline) achieving BAT's 25% reduction target early. 94% of materials used for packaging made from reusable, recyclable or compostable material.
- **Generating positive value in agriculture:** 39.2% reduction in water withdrawn in BAT's direct operations (vs 2017 baseline), achieving the 35% reduction target two years early. 93.3% of farmers in the Thrive Supply Chain reported to be growing other crops for income diversification.
- **Supporting biodiversity goals:** On track to hit biodiversity targets including being 68.8% forest positive in our tobacco supply chain by 2025.
- **Preventing underage access:** Progressed the embedding of Underage Access Prevention and International Marketing Principles programmes into Group-wide Standards of Business Conduct.
- **Globally recognised sustainability success:** [MSCI ESG rating](#) was upgraded to a rating of A (scale of AAA to CCC) in 2023, from a BBB in 2022.

In line with BAT's global progress, Bentoel Group is on track in progressing its ESG efforts. The company's ESG focus in Indonesia is built around the global vision of "A Better Tomorrow through a Smokeless World".

Looking at this through the unique sustainability challenges across Indonesia, Bentoel Group has launched a number of on-the-ground initiatives under the Bentoel Bangun Bangsa campaign to support local communities and the country's progression towards a more sustainable future. These include:

1. **Climate change prevention:** Bentoel Group has reduced its Scope 1 and 2 greenhouse gas emission by 83% in 2023 against its 2020 baseline. This has been achieved through initiatives such as the use of 100% renewable energy using its 2.5-megawatt solar panel (supported by the purchase of a Renewable Energy Certificate).

Bentoel also initiated a **Green Mobility Movement:** a commitment to reducing greenhouse gas emissions by promoting fuel-efficient vehicles and encouraging eco-friendly practices to minimise energy consumption in the company's operational activities.

2. **Water Conservation:** In 2023, Bentoel Group recycled and reused a total of 31% of its internal water usage at its Malang factory. Bentoel continues to enhance its AWS (Alliance for Water Stewardship) certification, which it has held since 2022.

AWS is a global collaboration comprising businesses, NGOs and the public sector who work together to contribute to the sustainability of local water-resources through the adoption and promotion of a universal framework for the sustainable use of water.

Bentoel Group will share its work and learnings in the water conservation space at the 2024 World Water Forum, the largest international gathering in the water sector, this year hosted in Bali, Indonesia, from 20 to 25 May 2024.

3. **Waste management:** Bentoel Group has successfully achieved 'zero waste to landfill' since 2022 and 100% of its non-hazardous wastes have been recycled.
4. **Digital Inclusion Movement:** In 2023, Bentoel Group continued its focus on empowering micro, small and medium enterprises (MSME) through various social initiatives and local economic development opportunities, including donating 200 laptops for digital acceleration and 100 units of food carts for MSME early starters.

Dian Widyanarti, Head of Corporate and Regulatory Affairs of Bentoel Group said:

"Every industry is responsible for contributing towards a Net Zero future, and we are extremely proud of the progress that has been made globally in not only the implementation of important targets and driving successful programs to achieve them – but also in the acceleration in which the Group has met or exceeded many of those goals already. Continuing to build on this, we are committed to growing our ESG initiatives in Indonesia to create real impact and contribute to the global drive towards securing a more sustainable future."

Looking ahead

Throughout 2024 BAT will continue working toward its mission of 'A Better Tomorrow' in Indonesia through the following actions:

Creating positive value in agriculture – leveraging an agricultural sourcing model to deliver a positive impact in the supply chain, particularly with respect to social and environmental issues.

Delivering Net Zero Greenhouse Gas emissions across the value chain – collaborating with suppliers and other stakeholders across the value chain to decarbonise the company's operations.

Responsible leadership in new categories – taking a stand as an industry leader by setting standards for the development, manufacturing and marketing of new category products.

A trusted organisation operating with integrity – creating and maintaining an internal culture where employees find pride in their contributions towards BAT's sustainability goals and the impact of that in Indonesia.

[Click here](#) to read BAT's Combined Annual and Sustainability Report in more detail.

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