

**25 NOVEMBER 2024**

## **DRIVING A NET ZERO FUTURE: ADDRESSING DECARBONISATION AT THE 2024 BANGUN BANGSA CONFERENCE.**

Public-private partnerships, how to drive the just energy transition, and Indonesia's regional role in driving sustainable solutions were all hot issues at this year's Bangun Bangsa Conference.

In an important moment for the sustainability sector in Indonesia, 22 expert speakers, and more than 200 attendees across industry, government, think tanks, financial institutions, and NGOs, converged to tackle the issues surrounding decarbonisation; a timely discussion as governments around the region focus on ratcheting up their commitments under the Paris Agreement.

Bangun Bangsa, which translates to 'building the nation', is an annual sustainability conference organised by Bentoel Group which drives critical conversations across the industry. This year, Bentoel Group partnered with the Indonesian Business Council for Sustainable Development (IBCSD) to deliver another impactful forum.

Decarbonisation requires a holistic approach and collaboration across a multi-stakeholder network who have a shared vision of creating a sustainable world. This year's conference theme - "Solidarity in action: accelerating decarbonisation across Asia Pacific" - was focused on driving collaboration and solutions to the roadblocks which slow decarbonisation efforts across all levels of industry.

The day featured a range of sessions, where three clear themes emerged across the discussions.

### **1. Importance of public-private partnerships.**

A climate-resilient future requires both economic stability and growth and cannot be achieved alone by either the public or private sector. Collaboration across government and industry helps maximise limited public resources by unlocking private capital, expertise, and innovation, which will be key in driving decarbonisation.

The third panel of the day, featured speakers from BAT, the ASEAN Centre for Energy, and the Ministry of Industry, focusing on the different types of collaboration required from government bodies, industry players and international organisations to reach a decarbonised future.

Key takeaways included:

- Andy Tirta, the Head of Corporate Affairs from the ASEAN Centre for Energy, highlighted the importance of accelerating the energy transition and strengthening energy resilience through greater innovation and collaboration.
- Apit Pria Nugraha, Head of Green Industry from the Ministry of Industry shared its decarbonisation strategy, which centres on building a green industry by prioritising efficiency and effectivity in utilising sustainable resources in the production process.
- Hector Tamez Perez, the Regional Head of Sustainability at BAT, spoke on BAT's commitment to decarbonisation by improving energy efficiency, switching to renewable fuels, and sourcing renewable energy through collaboration cross-stakeholders.

Mustaba Ari Suryoko from the Ministry of Energy and Mineral Resources examined how Indonesia can strengthen the energy transition to support low carbon transformation. He highlighted:

- Indonesia is currently committed to three major climate goals: the Paris Agreement, the Enhanced Nationally Determined Contribution, and achieving Net-Zero Emissions.
- To meet these targets, Indonesia must work collaboratively with all relevant stakeholders to ensure a fair and inclusive energy transition.
- There is significant potential to expand the use of diverse new and renewable energy sources, such as solar panels, fiscal incentives, pumped storage, biofuels, offshore wind farms, and more.

## **2. A just transition powered by finance and framework.**

Companies are increasingly showing an active willingness to participate in the decarbonisation journey, but good intentions are not enough. Companies, both small, medium and large, still struggle with the reality of decarbonisation, and many still have outdated policy and financing frameworks that aren't fit for the new reality.

Particularly in the Asia-Pacific region, there are a range of finance mobilisation issues due to gaps in climate data, which impacts the capacity of governments to develop and facilitate national climate policies quickly enough.

The first panel of the day, which featured speakers from Rebricks, Peak Energy and Bentoel Group, focused on what these decarbonisation roadblocks are and how to overcome them. The panel explored current and upcoming frameworks, including government policies, initiatives and innovative products that can accelerate the energy transition.

Key takeaways from this panel included:

- As a local Indonesian SME, Novita Tan, the CEO at Rebricks showcased its eco-building materials made from non-valuable plastic waste, which is aligned with the Indonesia Green and Affordable Housing Program (IGAHP).
- Ratna Muntiwati, the DG Director at Peak Energy, and of the energy innovation providers in the Asia Pacific region, presented a solution to achieve decarbonisation while reducing energy costs.
- Eva Sulistawaty, the Head of Sustainability at Bentoel Group shared its roadmap to reach net-zero emissions by 2050 through CO2 emissions reduction, digitalisation, community partnership and regulatory compliance.

In the third keynote of the day, Vivi Yulaswati, Deputy Minister for Maritime and Natural Resources from the Ministry of National Development Planning, highlighted frameworks to bridge the climate financing gap to advance Indonesia's decarbonisation efforts. These included:

- Indonesia's goal is to reach Net Zero Emissions and is aligned with developed countries by 2045. However, the state budget alone cannot achieve this or holistically support Indonesia's need to shift to a green economy.
- Alternative funding sources, such as contribution from regional governments, bilateral and multilateral cooperation, public-private partnership and other potential revenue sources cannot be underestimated in bridging this gap.

## **3. Indonesia's regional role in driving decarbonisation,**



As the fourth most populous country in the world, with a rapidly developing economy, Indonesia has a significant regional role to play. Not only is the nation rapidly moving away from fossil fuels to renewable energy sources, but it is providing a blueprint for how surrounding countries can do the same.

In the first keynote speech of the day, Andi Yulianti Ramli, the Acting Deputy for Infrastructure Supporting Industry, spoke to Indonesia's Just Energy Transition Partnership (JETP) which is a funding mechanism that brings together public and private sector resources to support the Global South's energy transition through accelerating the deployment of renewable energy.

In her speech, Andi highlighted:

- How three quarters of energy consumption for electricity, transportation and industry in Indonesia is derived from fossil fuels, namely coal and gasoline. This reliance has created a sense of urgency in Indonesia to implement a national energy transition via the JETP Indonesia, which aims to support the achievement of national energy transition targets in the electricity sector.
- As a public-private financing vehicle, JETP represents a commitment of USD\$21.6 billion between the International Partners Group (IPG) and the government of Indonesia to ensure energy security and stability while promoting sustainable energy usage.
- Andi spoke to the current successes, and learnings, of this collaboration between the government and the private sector.

The second panel of the day, which featured speakers from EY Indonesia, CDP, and Nestle Indonesia, focused on the leading role of Southeast Asia in nature-based solutions, and how Indonesia can reduce nature impact to drive decarbonisation.

Key takeaways from this panel included:

- As an industry players and consultants, the Voluntary Carbon Markets Integrity Initiative (VCMI), and the Science Based Targets Network (SBTN), have committed to implement nature-based solutions to prioritise minimising environmental impacts as part of decarbonisation efforts.
- Nur Arifiandi, the Regional Lead Policy and Regulations at CDP, highlighted how critical nature is for businesses, with \$44 trillion of economic value relying heavily on natural resources and services.
- Recognizing this urgency, Ika Merdekawati, Senior Manager at EY Indonesia Climate Change & Sustainability Service (CCaSS) recommended the LEAP (Locate, Evaluate, Assess, Prepare) approach to identify and evaluate nature-related risks and opportunities that could affect business outcomes.

We'd like to extend our gratitude towards all of our speakers and attendees for making Bangun Bangsa 2024 a huge success.

## ENDS

### Enquiries

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### About BAT

BAT is a leading, multi-category consumer goods business. Our purpose is to create A Better Tomorrow™ by Building a Smokeless World. This commitment is demonstrated by our ambition to have 50 million consumers of our smokeless products by 2030.

BAT employs over 46,000 people and, in 2023, the BAT Group generated revenue of £27.28 billion, with an adjusted profit from operations of £12.46 billion.

BAT currently has 26.4 million consumers of its smokeless brands, which accounted for 17.9% of Group revenue in the first half of 2024. We are committed to becoming a predominantly smokeless business and have been clear on our ambition that 50% of our revenue will come from smokeless products by 2035.

The company's Strategic Portfolio is made up of its global cigarette brands and a growing range of nicotine and smokeless tobacco products. These include our Vapour brand Vuse; our Heated Product brand glo; and Velo our Modern Oral (nicotine pouch) brand. These New Category products have delivered more than £3 billion in annual revenue since their introduction a decade ago.

The company continues to be clear that combustible cigarettes pose serious health risks, and the only way to avoid these risks is not to start or to quit. While addictive and not risk free, to help Build a Smokeless World, BAT encourages those who would otherwise continue to smoke to switch completely to our smokeless alternatives.

We are also reducing our use of natural resources, improving livelihoods, and delivering on our climate goals to be Net Zero across our value chain by 2050.

\* Based on the weight of evidence and assuming a complete switch from cigarette smoking. These products are not risk free and are addictive.

† Our vapour product Vuse (including Alto, Solo, Ciro and Vibe), and certain products, including Velo, Grizzly, Kodiak, and Camel Snus, which are sold in the U.S., are subject to FDA regulation and no reduced-risk claims will be made as to these products without agency clearance.

## Forward-looking statements

*This release contains certain forward-looking statements, including "forward-looking" statements made within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. These statements are often, but not always, made through the use of words or phrases such as "believe," "anticipate," "could," "may," "would," "should," "intend," "plan," "potential," "predict," "will," "expect," "estimate," "project," "positioned," "strategy," "outlook," "target" and similar expressions. These include statements regarding our customer target ambition, New Categories revenue targets and our ESG targets.*

*All such forward-looking statements involve estimates and assumptions that are subject to risks, uncertainties and other factors. It is believed that the expectations reflected in this release are reasonable but they may be affected by a wide range of variables that could cause actual results to differ materially from those currently anticipated. A review of the reasons why actual results and developments may differ materially from the expectations disclosed or implied within forward-looking statements can be found by referring to the information contained under the headings "Cautionary Statement" and "Group Principal Risks" in the 2023 Annual Report and Form 20-F of British American Tobacco p.l.c. (BAT).*

*Additional information concerning these and other factors can be found in BAT's filings with the U.S. Securities and Exchange Commission ("SEC"), including the Annual Report on Form 20-F and Current Reports on Form 6-K, which may be obtained free of charge at the SEC's website, <http://www.sec.gov> and BAT's Annual Reports, which may be obtained free of charge from the BAT website [www.bat.com](http://www.bat.com).*

*Past performance is no guide to future performance and persons needing advice should consult an independent financial adviser. The forward-looking statements reflect knowledge and information available at the date of preparation of this release and BAT undertakes no obligation to update or revise these forward-looking statements, whether as a result of new information, future events or otherwise. Readers are cautioned not to place undue reliance on such forward-looking statements.*