

BAT 2023 Biodiversity Risk Assessment



In 2022, we commissioned [The Biodiversity Consultancy](#), a company on SBTN's Network referral programme¹, to conduct a geospatial Biodiversity Risk Assessment, mapping our directly contracted farmers against five global Biodiversity indicators and categorising them Low, Medium & High risk. In 2023 we extended this Geospatial risk assessment to cover BAT Group's owned Manufacturing facilities.

The assessment on our directly contracted farmers was based on 2021 crop year data, at which point BAT had a total of 75,599 directly contracted farmers with total farm area of 758,539 hectares.² The assessment was carried out on 69,200 of our directly contracted farmers (91.5% of BAT's contracted farmers in the 2021 crop year) with a total farm area of 318,000 hectares³.

The assessment of BAT Group's owned manufacturing facilities was based on the same criteria as the ones set out in our Combined Annual and ESG Report 2022 and set out below:

- 41 fully integrated manufacturing sites
- 16 other processing sites (incl. green leaf threshing and Other tobacco products)
- 7 sites manufacturing other products (including Snus, Modern Oral, and Vapour e-liquids)
- R&D facilities located in Southampton and R&D facilities adjoining Factories.
- Our corporate headquarters in London

The owned facilities assessment covered operational sites in 44 countries and had a total area of 1,190 hectares.

Methodology

All areas were assessed against five biodiversity risk indicators, based on global databases available via the IBAT (Integrated Biodiversity Assessment Tool) platform⁴:

- Remaining natural habitat, based on the Ecosystem Intactness Index⁵
- Proximity to World Heritage Sites (WHS) and/or Alliance for Zero Extinction (AZE) sites⁶
- Proximity to protected areas and Key Biodiversity Areas (KBAs)⁶
- The global significance of the area for reducing the extinction risk of threatened species via abatement of existing threats, based on the STAR threat metric⁷
- The global significance of the area for reducing the extinction risk of threatened species via future habitat restoration, based on the STAR restoration metric⁷

The indicator databases, used for analysis include 269,904 protected sites, 142,577 International Union for Conservation of Nature (IUCN⁸) Red List of Threatened Species, and 16,356 Key Biodiversity Areas.

In 2023, the methodology was expanded for owned operations to look at:

- The threatened and restricted range species that are likely present within or close to the area of analysis⁹

- Proximity to important marine habitats¹⁰
- Water pollution¹¹
- Water availability¹²

Sites were assessed using the STAR indicator, which stands for “Species Threat Abatement and Restoration”. STAR is a spatially explicit measure of species richness, species endemism and species threat status at a specified location (together considered as ‘biodiversity significance’) based on the IUCN Red List of Threatened Species. STAR is used to indicate where abatement of existing threats (STAR_T) and habitat restoration (STAR_R) actions have the potential to contribute to a reduction in global species extinction risk at specific locations. The STAR metric methodology can be used as a key indicator for helping companies assess and measure their risks aligned to Goal A of COP 15’s Global Biodiversity Framework.

Farm assessment

The assessment analysed the geospatial location of farmers and relative differences in risk for each of the five indicators. The results show that, based on a combined Biodiversity Risk Score, 98% of farms (96.4% of the total assessed farmed area) were in areas classified as low biodiversity risk. High risk areas were mostly identified in Brazil and Sri Lanka. Medium biodiversity risk areas were also found in Brazil, Kenya and Venezuela, representing less than 1% of the total farm area assessed in each country.

Using STAR, the results show relatively low levels of geospatial risk to areas of high biodiversity significance in BAT’s tobacco supply base. 75 hectares are classified with high STAR_T significance and 1 hectare with high STAR_R significance. This means that farmers are in regions with high significance for threatened or endemic species of birds, mammals and/or amphibia; it does not mean the farmers are causing the threat or damaging the environment, but that there is increased potential risk or global significance to their activities.

Farmers classified as high risk in the combined score assessment have been locally re-assessed on the ground by our Field Technicians, to check if their farming practices may have posed risk to biodiversity in their farms. We also checked if there is any cultural or economic dependency of the farmers on native species. In cases where risk is found, farmers are required to adopt a biodiversity management plan (BMP), which include remediation actions to mitigate any operational risk that may be present on individual farms. The BMP is then monitored by the Field Technicians until the agreed remediation actions are implemented and risks are eliminated. Out of the 981 farmers classified as high risk in the risk assessment, 807 are still contracted and 632 have implemented a BMP, with a total farm area of 6,362 hectares.

We launched in 2023 our Biodiversity Operating Standard, which includes guidance and operational requirements our tobacco suppliers must follow to support BAT in meeting its target of zero gross deforestation of primary native forests in our paper, pulp and Tobacco Supply Chain¹³ and zero conversion of natural ecosystems in our Tobacco Supply Chain¹³ by 2025.

BAT Group's Owned Operations assessment

The assessment analysed the geospatial location of BAT Group's owned operations and relative differences in risks for each of the 5 original indicators and 4 supplementary indicators. An expanded radius of 5km around each site was applied to understand the impact our operations could have on surrounding areas.

The results show that based on all of the biodiversity risk indicators:

- 19.3% of the total area is classified as high biodiversity risk
- 40.3% of total area is classified as medium biodiversity risk
- 40.3% of total area is classified as low biodiversity risk.

The greatest extent of high biodiversity risk areas are located in Chile, Turkey, Sri Lanka, Venezuela, and Fiji.

Locations in Honduras, Poland, Samoa, Singapore, Solomon Islands, Sudan, Trinidad and Tobago, Turkey, Venezuela, and Zambia were also identified as high risk. While a number of sites were identified as high risk, all sites had low Ecoregion Intactness scores, which implies that while the area's surrounding the site are high risk, the ecosystems of the sites themselves have low biodiversity integrity, as they are mainly in fully developed urban areas.

In terms of STAR, only 2% of the area of BAT Group's owned manufacturing facilities (9 sites) were classified as high risk, with over half the sites (57%) considered low risk.

Water risks

Three sites were identified to be within close proximity to important marine habitats (coral reefs, mangroves, and seagrass beds):

- Samoa Operations (in close proximity to coral reef habitats)
- Brascuba (in close proximity to seagrass and coral reef habitats)
- Fiji Operations (in close proximity to seagrass and mangrove habitats)

12.6% of the total area of BAT's owned manufacturing Facilities were in the "Very High" and "High" water pollution risk categories, this corresponded to 26 and 14 sites, respectively.

A total of eight sites (representing 12.7% of the total area) were in the "Very High" water availability risk category.

Countries in the high and very high risk category's for both water pollution and availability were Hungary (three sites), Pakistan (two sites), and Venezuela (two sites).

In our next steps, we aim to start Biodiversity Risk Management plans for high risk BAT Group's owned operations sites and expanding the operational standard to include activities conducted in BAT owned Manufacturing facilities.

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1. [Science Based Targets Network Referral Program](#)
2. For comparative purposes: In 2022, BAT had a total of 81,285 contracted farmers with total farm area of 702,751 hectares.
3. The assessment excluded contracted farmers in China.
4. Protected Area, Key Biodiversity Area, and Species data reproduced and incorporated under licence from the Integrated Biodiversity Assessment Tool Alliance (IBAT) (<https://www.ibat-alliance.org/>). IBAT is provided by BirdLife International, Conservation International, IUCN and UNEP-WCMC. Contact ibat@ibat-alliance.org for further information
5. The Society for Conservation Biology (<https://conbio.onlinelibrary.wiley.com/doi/epdf/10.1111/conl.12692>)
6. Integrated Biodiversity Assessment Tool (IBAT) (<https://www.ibat-alliance.org/the-data?locale=en>)
7. See attached evidence in <https://www.ibat-alliance.org/pdf/star-industry-briefing-note.pdf>
8. <https://www.iucnredlist.org>
9. Biomes (as per the IUCN Ecosystem Typology) within the area ([IUCN Global Ecosystem Typology 2.0 | IUCN Library System](#)).
10. For Marine Habitats : Data from Allen Coral Atlas , supplemented by UNEP-WCMC layer and global mangrove watch.
11. For water pollution, the following datasets were considered: Coastal Eutrophication Potential (Hofsteet al. 2019), Nitrate-Nitrite Concentration (Damaniaet al. 2019), Periphyton Growth Potential (McDowell et al. 2020),
12. For water availability, the following datasets were considered: Baseline water stress (Hofsteet al. 2019), Water depletion (Braumanet al. 2016), Blue water scarcity (Mekonnen& Hoekstra 2016),
13. 'Tobacco Supply Chain' refers to the tobacco supplied by our directly contracted farmers and those of our strategic third party suppliers, who participate in our annual Thrive assessment, representing over 80% of the tobacco purchased by volume in 2022.