Fighting the black market in tobacco addresses a threat to our business, while also helping to fight organised crime and preventing smokers from getting access to unregulated tobacco products.

Keeping our own house in order

We require our companies and employees to support only legitimate trade in our products. Through our ‘Know Your Customer’ guidelines and procedures, we try to ensure that the volume of tobacco products we supply is consistent with legitimate demand. It is our policy to stop doing business with customers or suppliers that we find to be complicit in illicit trade.

Our approach to fighting the black market in tobacco includes:

- Effective internal governance and supply chain security;
- Gathering market information on the scope of illegal trade;
- Working with authorities to ensure that appropriate enforcement action is taken;
- Engaging with international bodies like the World Customs Organisation to increase understanding of the issue;
- Informing regulators about the impacts of the illegal tobacco trade; and
- Raising awareness of the issue among our employees, business partners and the public.
We're serious about supply chain security

Working alongside other international tobacco companies, we developed industry-wide security systems that enhance our supply chain controls by allowing authentication and traceability of our products.

Digital coding technology helps governments ensure that all taxes and duties are paid on our products, while sophisticated identifiers on packs allow consumers and authorities to validate a product’s authenticity.

We were founding members of the Digital Coding and Tracking Association (DCTA), who we are working with to promote the concept of digital tax verification based on an agreed industry-wide approach.

Track and trace (T&T) technology allows us to track the forward movement of our products through our supply chain. If a product is seized by customs or enquired about by authorities, we can trace it backwards and determine the point at which the product may have left the legitimate supply chain.

The successful implementation of T&T technology means that we can comply with a Co-operation Agreement (EUCA) to fight illicit trade that the Group signed with the European Union in July 2010. The European Union and other regulators have passed legislation to mandate the use of T&T technology, a trend that will now accelerate with entry to the World Health Organization’s Illicit Trade Protocol.

We work with law enforcement agencies worldwide to gather and share information, monitor the destruction of seized products and machinery and analyse suspected fakes in our state of the art laboratory in Southampton, UK.

International cooperation

We also work to ensure business is joined up with governments and other organisations to make our combined efforts more effective. This includes working collaboratively with law enforcement and working closely with international bodies, such as the World Customs Organisation, Europol and the OECD Task Force on Countering Illicit Trade.

As part of our cooperation agreement with the European Commission and its member states we will provide €134 million (US$200 million) over 20 years, which can be used to fund areas including training for border staff in new security systems.

The general public is often unaware of the wider impacts of the illegal cigarette trade, so we also work to raise awareness and remind people that illegal tobacco is not a victimless crime, such as through our short film on the issue: ‘This is The Man’.

External links

- International Anti-Counterfeiting Coalition
- World Intellectual Property Organization
- International Trademark Association