

TOBACCO SUPPLY CHAIN DATABASE: CASE STUDY 1

SUPPLY CHAIN PROCESS: SECONDARY PROCESSING/MANUFACTURING

COMPANY TYPE: TRANSNATIONAL TOBACCO COMPANY

Tobacco Control Research Group, University of Bath, 21 October 2021

Imperial Brands (IMB), headquartered in the UK, is one of the 'big four' transnational tobacco companies. The company has a complex supply chain, but here we consider its manufacturing footprint.

While building the supply chain database, we traced IMB's subsidiaries listed in its 2020 annual report. This search was carried out in mid-2021. The search revealed that:

- Of 49 subsidiaries that were listed in IMB's annual report as making its tobacco products, we only found 26 that were currently doing so (Fig 1).
- 15 were errors: mostly we found evidence that these subsidiaries were no longer making tobacco products and in addition, there were occasional typographical errors leading, for example, to duplication.
- Several had been sold as IMB divested its cigar business.
- Although some more minor tobacco products were manufactured in Western Europe, where IMB has its historical base, cigarette factories were generally elsewhere – particularly in Eastern Europe and Africa (Fig 2).

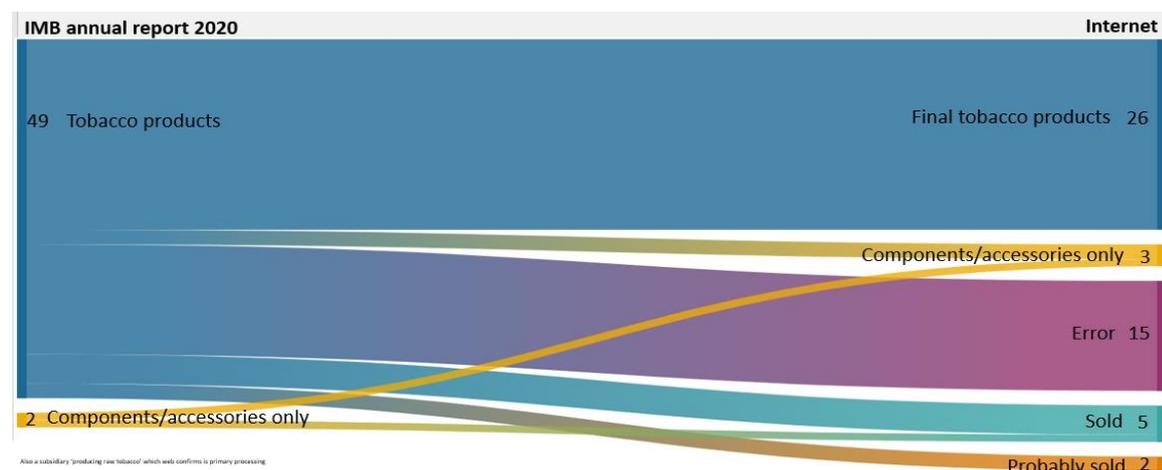


Fig 1: Sankey chart comparing IMB subsidiaries making final tobacco products claimed in their 2020 annual report and our updated findings from our internet searches carried out in 2021.

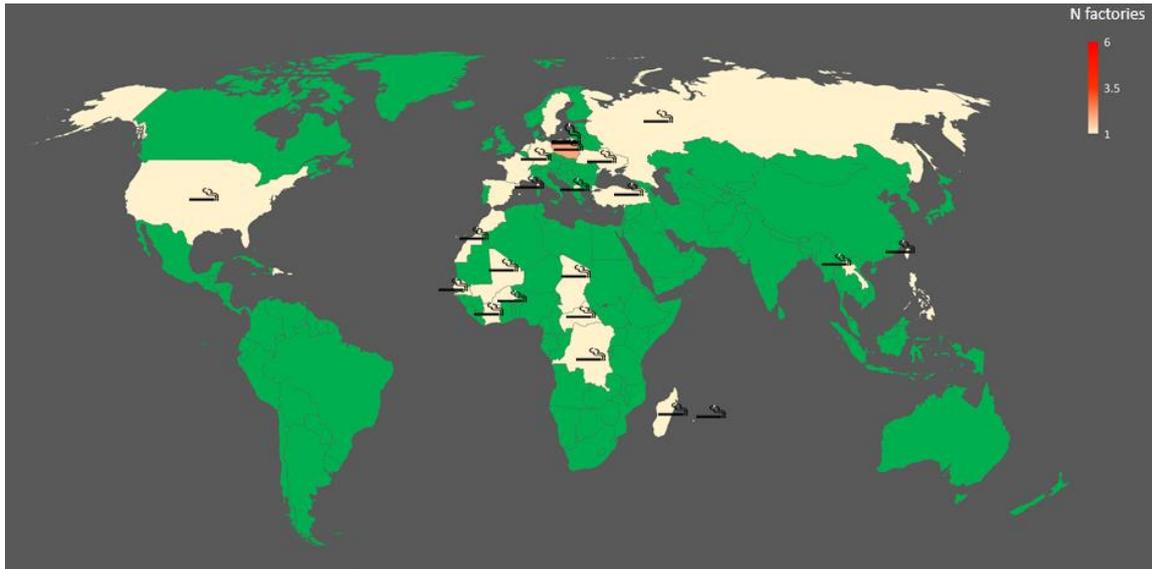


Fig 2: World map of countries with IMB subsidiaries producing final tobacco products for IMB and locations of cigarette factories

WHAT DO WE LEARN ABOUT IMB FROM THIS DATABASE RESEARCH?

Using research for the supply chain database to explore IMB's secondary processing and manufacturing activities, we can see that:

- Companies don't always update their own public records – researchers can't just rely on annual reports for accurate information.
- Despite IMB having its headquarters in the UK, and mergers with French and Spanish companies, mapping its structure suggests that its main manufacturing activity is not in Western Europe.
- IMB's annual report suggested there might be up to six factories within one country, but Poland seems to be the only country with more than one factory making tobacco products.
- Africa is sometimes thought of as just an agricultural supplier, but data shows that manufacturing also happens there although this is likely to be only for local consumption.
- Manufacturing occurs in places where we might not expect it, for example on tiny islands like Corsica and La Reunion yet not in the UK or Spain, despite these countries having historic links with the industry and a large population of smokers.

GENERAL DISCLAIMER

Although we work to rigorous standards and adhere to a strict guide for data input, there is no undertaking by the Tobacco Supply Chains Database, TobaccoTactics.org or the University of Bath that any part of this report is accurate, complete or up to date. You use this information at your own risk, and for guidance only. There is a Right of Reply procedure available see Tobacco Supply Chains Database website.