

ILLICIT PRODUCTS: CONSUMERS AT RISK



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A POTENTIAL THREAT TO PUBLIC HEALTH

Transitioning adult smokers to next generation products (NGP) like vapes offers promising public health potential. But this opportunity is under threat.

A surge in illicit products – particularly counterfeit and non-compliant vapes – is undermining public health, while eroding trust in compliant products by responsible manufacturers.

Illegal vapes have been shown to often contain **unsafe chemicals**, non-compliant levels of nicotine, or a **lack of proper labelling** – all of which can pose substantial risks to consumers.

They are also often cheaper, more accessible, and marketed in ways that **irresponsibly target unintended audiences** – especially youth.

WHAT'S THE SCALE OF THE ILLICIT PROBLEM?

Illicit NGP – especially vapes – are rapidly on the rise across the globe, including these notable European markets:



UK:
1.19 million

...illegal vapes were seized by Trading Standards in 2023–24 – a **59% increase year-on-year**.

In Q4 alone, 24% of test purchases resulted in **illegal sales to under-18s**.



Germany:
400,000

...illegal vapes were seized by authorities in a single operation, many of which were marketed to youth.



Spain:
170,000

non-compliant vapes were confiscated in 2024, many of which had been **illegally imported into the EU**.



Up to
80%

of vapes in some European markets may be either **non-compliant, or illicit**.

LEGAL VS. ILLEGAL VAPES: WHAT'S THE DIFFERENCE?

NGP must adhere to a strict set of product standards and regulations to be compliant and permitted for sale. Legal NGP adhere to these standards, while illegal (also known as illicit, or counterfeit) products bypass these important safeguards.

Focusing on vapes in the UK and EU:



LEGAL

- Max 2ml e-liquid
- Max 2% nicotine
- Compliant health warnings
- Marketed to adults



ILLEGAL, ILLICIT, OR COUNTERFEIT:

- No limits on e-liquid levels
- Unregulated nicotine levels
- No warnings on packaging
- Marketed/sold to youth

WHAT ARE THE RISKS AND CONSEQUENCES OF ILLICIT VAPES?



Prohibited ingredients:

Can potentially lead to lung-related illness (e.g. 'popcorn lung' and EVALF), posing **direct threats to consumer health**.



Mislabelled or non-compliant nicotine levels:

May **mislead consumers**.



Youth-targeted marketing and flavours:

Undermines the public health potential of vaping to help reduce smoking-related disease through tobacco harm reduction.



Erosion of public trust in NGP:

Illicit NGP may lead to misleading science and media reporting, plus **potential misdirected and counterproductive bans** on flavours – or even **entire category bans**.



Links to organised crime:

Only criminals and rogue operators benefit from the trade of illicit products, so their growth fuels broader **negative societal consequences**.

¹ POLITICO, 'Teen vaping: Did the EU get it wrong on e-cigarettes?', August 2023.

² VAPEAST, 'German Customs Seize 400,000 Illegal Vapes', December 2024.

³ ClearingTheAir, '€1.55 million of illegal vapes seized by police in Spain', October 2024.

⁴ Euromonitor, 'Navigating the E-Vapour Market and the Rise of Illicit Products', February 2025.

FIGHTING BACK: A MULTI-STAKEHOLDER APPROACH

We believe responsible manufacturers must be part of the solution. Our initiatives include:



Regulatory engagement to highlight the scale of illicit trade, push for **stronger enforcement**, and advocate for **harsher penalties**.



Stringent supplier compliance processes help to ensure high standards while **discouraging illicit activity**.



Data sharing with regulators, enforcement authorities, and public health bodies to **raise awareness** of the growing scale of the issue and its potential consequences.



Collaboration with law enforcement via our Anti-Illicit Trade (AIT) team to **supply intelligence** leading to potential raids and/or convictions.



Ongoing investment in **science and adult smoker insights** to support **broader NGP category growth** across a range of global markets.

SMART REGULATION: A BALANCED PATH FORWARD

Effective regulation must protect consumer health and never-smoker populations like youth, support continued NGP use by intended audiences (adult smokers transitioning away from cigarettes, and existing adult nicotine consumers), while also deterring bad actors through increased scrutiny and enforcement by trading standards.

Flavour and category bans which punish consumers and responsible manufacturers alike are not the answer; these only inadvertently help the illicit trade to thrive.

Imperial Brands continues to advocate for a firm but pragmatic approach to NGP regulation. We suggest:



Tighter restrictions on product naming, packaging, and marketing to reduce youth appeal.



Only **responsibly flavoured** products designed for adult consumers should be permitted.



Far **stronger enforcement and penalties** for non-compliant manufacturers and retailers.



Retailer licensing schemes to help encourage responsible retailing.



Excise extension to vapes to aid enforcement of existing legislation and further deter rogue actors.



CONCLUSION: PROTECTING PUBLIC HEALTH PROGRESS

Illicit NGP threaten the credibility and effectiveness of NGP categories including vapes, heated tobacco, and tobacco-free oral nicotine pouches.

If all parties – regulators, manufacturers, retailers, and society – work together, we can safeguard public health, protect consumers, and help ensure NGP fulfil their exciting public health potential to reduce smoking, and smoking-related, disease.

Imperial Brands continues to welcome, and participate in, dialogue with a diverse range of stakeholders to ensure the continued availability of a well-regulated, trusted, and potentially harm reduced range of NGP across Europe and beyond.



At Imperial Brands, we take product stewardship seriously – producing high quality, responsible products which consumers can trust. Safeguarding our consumers is a priority, and we have a comprehensive and rigorous approach to testing and launching products. **Find out more on our dedicated science website →**



⁵ Popcorn lung: has been associated with the use of diacetyl in vape products.

⁶ EVALI: a serious lung condition identified in the US in 2019. It was associated with vitamin E acetate, a thickening agent found in some THC-containing vape products. Both diacetyl and vitamin E acetate are effectively prohibited for use in vape products in several EU countries through national regulations. No products from our own vape brand, blu, contain either of these ingredients.



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