

End Tobacco Industry Corporate Giving

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SEATCA

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SOUTHEAST ASIA TOBACCO CONTROL ALLIANCE

2004: WHO Report on Corporate Responsibility



Tobacco industry and corporate responsibility...

an inherent contradiction

Every year over **6 million** people worldwide die from tobacco related diseases

An industry that kills half its customers prematurely cannot be considered “**socially responsible**”

International Tobacco Treaty - WHO FCTC

Article 5.3: Recommendation 6

- **De-normalize** and, to the extent possible, **regulate** activities described as “socially responsible” by the tobacco industry, including but not limited to activities described as corporate social responsibility”.

Article 13

- The Parties should **ban** contributions from tobacco companies to any other entity for “socially responsible causes”, as this is a form of sponsorship.
- Publicity given to “socially responsible” business practices of the tobacco industry constitutes advertising and promotion, hence should be **banned**.



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The WHO Director-General Describes the Tobacco Industry...



Dr Margaret Chan, DG, WHO

The tobacco industry is a “**ruthless and devious enemy**” whose “Tactics aimed at **undermining** anti-tobacco campaigns, and **subverting** the Framework Convention, are no longer covert or cloaked by an image of corporate social responsibility. They are out in the open and they are **extremely aggressive.**”

<http://bit.ly/JsBuPB>



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Smoking Kills, but the Industry **Fights** **Legislation**

“Our objective remains to develop and mobilize the necessary resources ... to fight the social and legislative initiatives against tobacco....We shall carefully target our opponents. We shall precisely identify, monitor, isolate, and contest key individuals and organizations.”

Philip Morris, 1989, Bates Number 2500066142-94



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What CSR means to Philip Morris

"I never use the word corporate philanthropy. That implies that you do something without any regard to yourself... **I don't see any corporation giving money without a reason.**"

--George Knox, Philip Morris International Executive



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Why Philip Morris' CSR Sponsors Youth Smoking Prevention Programme

“As we discussed, the ultimate means for determining the success of this (youth) program will be: 1) A reduction in legislation introduced and passed restricting or banning our sales and marketing activities; 2) Passage of legislation favorable to the industry; 3) Greater support from business, parent, and teacher groups.”

- J.J. Slavitt, Philip Morris, 1991



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Philip Morris International CSR in Asia: 2009-2012

	2009	Total \$	2010	Total \$	2011	Total \$	2012	Total \$
China	4	246,198	2	196,419	2	139,557	2	190,000
Indonesia	20	6,764,673	13	6,272,864	8	6,252,917	9	6,424,999
Japan	29	685,119	28	889,133	27	1,985,988	22	1,393,507
Malaysia	4	130,250	3	140,000	4	252,200	7	759,000
Philippines	4	1,199,740	6	1,014,996	7	2,252,938	5	2,457,126
Singapore	2	47,389	3	73,429	2	57,693	2	50,000
S Korea	7	162,106	6	164,319	5	231,579	8	499,031
Thailand	7	183,919	5	205,818	9	312,023	5	420,000
Vietnam	3	98,275	1	82,000	2	92,150	3	89,160

Ref:

http://www.pmi.com/eng/documents/2009_charitable_contributions_total.pdf;

http://www.pmi.com/eng/about_us/corporate_contributions/documents/2010_charitable_contributions_total.pdf

[http://www.pmi.com/eng/about_us/corporate_contributions/documents/Charitable%20Contributions%20in%202011%20PN%20\(2\)%20final.pdf](http://www.pmi.com/eng/about_us/corporate_contributions/documents/Charitable%20Contributions%20in%202011%20PN%20(2)%20final.pdf)

http://www.pmi.com/eng/about_us/corporate_contributions/documents/contributions_in_2012.pdf

BAT's CSR Activities in ASEAN Region

Country	Education – Scholarships school Bldgs	Poverty – Community Projects	Disaster Relief	Environment
Cambodia		✓		✓
Indonesia	✓	✓	✓	
Malaysia	✓			
Vietnam		✓		



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CSR by JT: 2009 - 2011

Country	Education – Scholarships school Bldgs	Poverty – Community Projects	Disaster Relief	Environment
Malaysia	¥	¥		
Philippines			¥¥	¥
Thailand		¥		¥¥¥
Vietnam		¥	¥	¥¥¥



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Tobacco Industry's CSR is “lose-lose” for the Poor

Country	HDI Rank	Pub Expens on Edu %GDP	Pub Expens on Health %GDP	Male Smoking Prevalence %
Norway	1	9.7	9.7	29
Malaysia	61	4.8	4.8	46
Thailand	103	4.3	4.3	40
Philippines	112	3.8	3.8	48
Indonesia	124	2.4	2.4	66
Vietnam	128	7.2	7.2	47
Cambodia	139	5.9	5.9	42



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Philippines: Tobacco CSR Thwarts Ad Ban, No Smoking Laws

- “Tobacco companies are using community works to **skirt around laws** regulating their industry both at the national and local levels.”
- “It is a way for cigarette companies to gain **access to elected officials** who have the power to implement anti smoking policies”

Judith Balea, Rappler, 3 June 2013



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The TI Interferes in Policy Development



The tobacco industry

is the problem

not the solution

not a stakeholder in public health

“Tobacco industry interference” is WHO’s World No Tobacco Day theme, 31 May



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Status of Ban on TI-CSR in ASEAN

Brunei	Cambodia	Indonesia	Lao PDR	Malaysia
No CSR	Ban Publicity	Partial Ban	No Ban	No Ban

Myanmar	Philippines	Singapore	Thailand	Vietnam
No Ban	No ban	Ban Publicity	Ban Publicity	Ban Publicity



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EMERGING TRENDS ON CSR

1. **CSR Ban**: Mauritius has banned CSR by tobacco industry
2. **Ban on donations to schools**: Philippines Education Department has issued a circular, Order No.6/2012, restricts interaction of officials with the tobacco industry and includes a prohibition of the tobacco industry contributing funds.
3. **Large institutions no longer accept grants**: eg the Red Cross International refuses funding from the tobacco industry



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1st International Conference on Corporate Social Responsibility, Business & Human Rights (ICCSRBHR): **DECLARATION**

No.8: **CSR activities by the tobacco industry should be prohibited** because tobacco is a hazardous product that kills half its regular uses prematurely.



CSR^{ASIA}

PRME Principles for Responsible
Management Education



15 May 2012



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RECOMMENDATIONS

1. Ban all CSR activities by the tobacco industry
 - As first step - Ban all publicity for CSR activities by the tobacco industry
2. Government officials and departments should not be beneficiaries of tobacco industry grants
3. The tobacco industry should be made to declare its profits from cigarette sales to children. A mechanism should be in place to provide an incentive to reduce sales – Not YSPP

Ref: [http://seatca.org/dmdocuments/CSR%20Handout_2013_SEATCA%20\(1\).pdf](http://seatca.org/dmdocuments/CSR%20Handout_2013_SEATCA%20(1).pdf)



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TERIMA KASIH



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