

# ADVERTISING, PROMOTION, AND SPONSORSHIP

## Corporate Social Responsibility

Corporate Social Responsibility (CSR) promotes the view that “firms should strive to make a profit, obey the law, be ethical, and be a good corporate citizen.”<sup>2</sup> Tobacco companies, however, are not like other companies. Tobacco is the only consumer product that kills one half of its users when used as directed.<sup>1</sup> The idea that tobacco companies can be ethical while promoting a disease-producing product is fundamentally contradictory. The Framework Convention on Tobacco Control (FCTC), the world’s first global public health treaty, establishes a policy framework aimed to reduce the devastating health, economic, and social impacts of tobacco.<sup>3</sup> Article 13 of the FCTC requires Parties to implement and enforce a comprehensive ban on tobacco advertising, promotion, and sponsorship, including a complete ban on CSR.<sup>4</sup>

### TOBACCO COMPANIES ENGAGE IN CSR TO PROMOTE COMPANY INTERESTS

Tobacco companies claim that they engage in CSR because they are concerned corporate citizens. However, tobacco company internal documents reveal the true goals of industry-sponsored programs, which are to boost profits and drive company interests.<sup>5,6</sup> In reality, CSR activities cost tobacco companies very little in relation to their annual profits. For example, in 2009, Philip Morris International (PMI) charitable contributions amounted to USD \$22.7 million, while its profits were USD \$6.3 billion, and British American Tobacco (BAT) spent USD \$22.3 million on CSR compared to the USD \$4.8 billion it earned in profits.<sup>7-10</sup>

#### TOBACCO INDUSTRY GOAL: To create positive public opinion about the industry.

- Tobacco companies want to give the impression that they are just like any other big company: responsible and concerned about the satisfaction of their customers and stakeholders.<sup>5,11</sup>
- CSR serves to counteract negative press and create positive public perceptions of the tobacco industry and tobacco issues, without changing actual company behavior.<sup>12,13</sup>

#### TOBACCO INDUSTRY GOAL: To gain political influence in order to weaken tobacco control legislation.

- In Philip Morris’ 1999-2000 State Legislative Plan for Alabama, its strategy sought to “expand contacts with key administration officials and legislators” by “supporting their philanthropic events and causes...” and “extending invitations to attend PM sponsored charitable events.”<sup>14</sup>

“These tobacco industry programs that seek to contribute to a greater social good urge the question: how can tobacco companies reconcile their main aim, to gain a maximum profit by producing and selling a deadly product, with the goals of Corporate Social Responsibility: business norms, based on ethical values and respect for employees, consumers, communities and the environment?” *World Health Organization, 2003*<sup>1</sup>

#### TOBACCO INDUSTRY GOAL: To gain access to youth for market research, to normalize brands, and prevent effective anti-tobacco campaigns.

- Tobacco companies seek to sponsor youth anti-smoking campaigns so that they can do extensive market research on teens’ attitudes towards smoking.<sup>5</sup> Their campaigns also ensure that the tobacco company is in control of the design and goals of the programs, guaranteeing good publicity and access to youth markets.<sup>13,15</sup>

#### TOBACCO INDUSTRY GOAL: To protect itself from litigation or law suits.

- An internal Philip Morris document states that “we need to get ahead of the curve on public expectations of a corporation. That will reduce the risks of law suits and improve our standing, when we are sued, as a ‘responsible corporation.’”<sup>16</sup>

### TOBACCO INDUSTRY CSR TACTICS

The tobacco industry conducts CSR in a variety of ways to gain maximum public exposure and influence.

#### CSR TACTIC: PHILANTHROPY

Tobacco companies engage in philanthropic activity, aiming to improve their public image as contributors to the greater societal good. Some companies have even set up philanthropic foundations to fund their efforts.<sup>17</sup>

- **EDUCATION:** In China, schools funded by tobacco companies carry slogans such as “Aspire to contribute to society/Tobacco helps you become a talent,” clearly linking

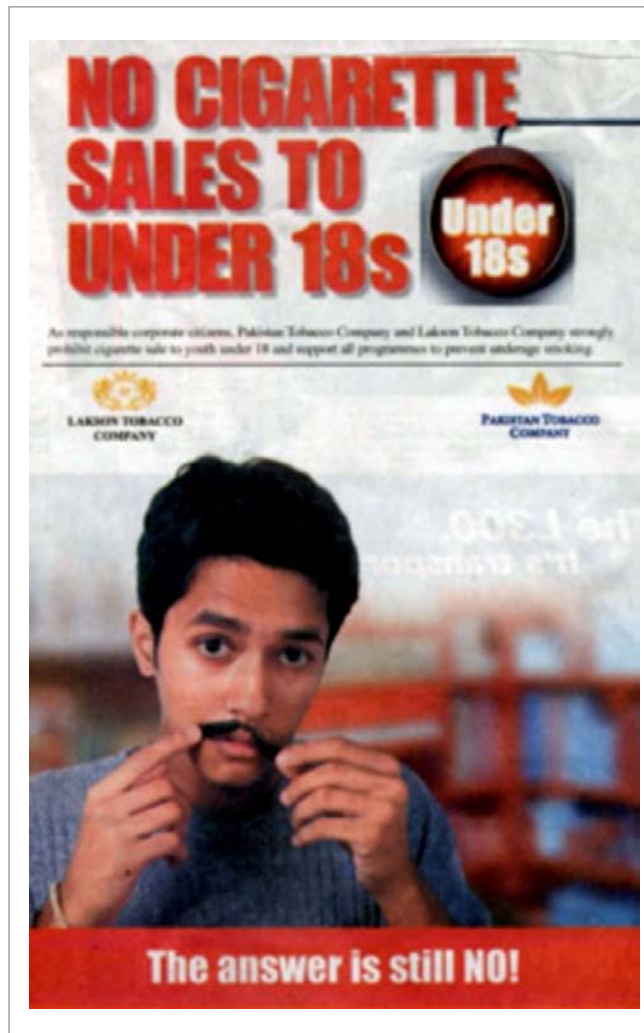
tobacco to success in the opinion of schoolchildren.<sup>18</sup> Tobacco companies support educational activities. However, many children are denied education as their parents spend money on tobacco, or as they leave school to work in tobacco agriculture and manufacturing.

- **HEALTH:** Carlos Slim currently sits on the board of directors of PMI and is the former owner of CIGATAM, Mexico’s largest tobacco company. The Slim Family Foundation helped establish the *Instituto Carso de Salud* (Carso Health Institute) in Mexico with a \$500 million pledge. The Institute’s priorities address treatment of chronic diseases such as heart disease and cancer;<sup>19</sup> tobacco use is a leading cause of both.
- **POVERTY:** In Malaysia, BAT Malaysia donates money to underprivileged Malaysian students, farming families, and a women’s shelter, claiming to be concerned about poverty and society’s well-being.<sup>20</sup> However, smoking makes the world’s poorest even poorer; in Malaysia, smoking two packs a day costs an average poor person approximately 30% of his or her income.<sup>21</sup>
- **DISASTER RELIEF:** In Indonesia, Sampoerna Tobacco used the 2010 eruption of Mount Merapi as a promotional event by dispatching rescue workers, vehicles, and tents with Sampoerna’s logo on them to the site of the disaster.<sup>22</sup>

**CSR TACTIC: YOUTH ANTI-SMOKING**

Most tobacco companies engage in youth smoking prevention programs, claiming to be responsible companies concerned about youth smoking. However, their programs are ineffective at preventing smoking and often actually encourage youth to smoke by portraying smoking as an adult activity, making it even more attractive to youth, and failing to talk about the health effects of smoking.<sup>1</sup>

- Tobacco companies promote their youth anti-smoking campaigns by talking about how much money they spent and how many youth they reached, NOT youth smoking rates.<sup>23-25</sup>
- Tobacco company-sponsored youth anti-smoking campaigns have never been shown to be effective in reducing youth smoking. In fact, they can make youth *more likely* to smoke.<sup>25</sup>
- Youth anti-smoking campaigns sponsored by tobacco companies tend to focus the blame on parents, youth themselves, and retailers who allow youth to buy tobacco from them, rather than on the actual culprits: tobacco marketing strategies aimed at youth, and the addiction that results from the nicotine in tobacco.<sup>23, 25, 26</sup>
- Tobacco companies use their youth anti-smoking campaigns to undermine or compete with more effective campaigns sponsored by the government or NGOs.<sup>24</sup>



Self-named “responsible corporate citizens,” Pakistan Tobacco Company and Lakson Tobacco Company sponsored this youth smoking prevention campaign. (Pakistan, 2006)

**CSR TACTIC: FARMING PROGRAMS**

Tobacco companies support programs in tobacco growing communities where education is low and living conditions are poor to distract from the fact that tobacco company practices perpetuate debt and poverty.<sup>27</sup>

- In Malawi, a major tobacco growing country, BAT co-founded the Eliminating Child Labor in Tobacco Foundation, claiming to be concerned with the issue of child labor in agriculture. The Foundation, however, made no meaningful changes to agricultural practices, and BAT has not changed its buying practices. BAT and PMI together are estimated to make \$10 million in profits from child labor each year in Malawi alone.<sup>28</sup>

**CSR TACTIC: ENVIRONMENTAL PROGRAMS**

Tobacco companies claim to be environmentally responsible but tobacco farming and manufacturing is bad for the environment.<sup>29, 30</sup>

- In Bangladesh, BAT participates in annual reforestation programs, donating saplings to be planted and touting its responsible agriculture.<sup>31</sup> However, cutting down trees for fuel during the tobacco curing process accounts for 30% of annual deforestation in Bangladesh<sup>32</sup>, making BAT's contribution of saplings a superficial attempt to draw attention away from the environmental problems it is causing.

## WHY CSR SHOULD BE BANNED

CSR works in favor of the tobacco industry by:

- Helping the tobacco industry gain political influence and diminish effects of legislation.<sup>5, 15</sup>
- Normalizing tobacco and brands, especially to children.<sup>5</sup>
- Increasing youth approval of smoking.<sup>25</sup>
- Undermining tobacco control attempts to expose tobacco companies for what they are—companies that prey on vulnerable populations—and vilifying tobacco control advocates.<sup>13</sup>
- Distracting from the negative effects of tobacco.<sup>11</sup>

## KEY MESSAGES

- **Article 13 of the Framework Convention on Tobacco Control requires a complete ban on all forms of advertising, promotion, and sponsorship, including CSR. CSR done by the tobacco industry should be banned.**
- **CSR works in the tobacco industry's favor by building goodwill with policymakers and the public, countering negative attention surrounding its deadly products, and defusing opposition from tobacco control advocates.**



Photo from Global Post article on Sampoerna rescue activities in Indonesia.<sup>33</sup>

- **The devastating harm to societies and families caused by tobacco-caused death and disease greatly outweighs the overall benefits of philanthropy or sponsorship of social causes.**
- **Tobacco consumption negatively affects those living in poverty, and any financial contribution made by companies responsible for increasing the health harms and financial burden of this population will not alleviate poverty, environmental, or health issues and is likely to make them worse.**

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