What is Corporate Social Responsibility (CSR)?

- Effort to bring corporate values more in line with society’s expectations and values
  - A way for companies to develop a code of conduct and provide accountability to society
  - A way to respond to the criticism that large corporations “do not care”

- Establishes a code of conduct for corporations and goes beyond traditional philanthropic practices, includes stated efforts to . . .
  - Develop a formal responsibility agenda
  - Contribute to the social and economic development
  - Establish voluntary codes of conduct to address environmental, labor, market, and other concerns
  - Produce performance reports to inform the public on progress
### Corporate Social Responsibility Reporting

- **Global Reporting Initiative (GRI):** sets standards and criteria by which a company has to declare whether or not it is in compliance with certain regulations
  - **Global compact:** a United Nations initiative to promote responsibility among major corporations and to bring together society and corporate goals and values

- Companies are often rated on their CSR programs and many efforts exist to consider CSR as part of the ranking of a company’s value in the market or in a stock market.

- There are many problems with tobacco companies’ involvement in CSR programs


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### Reasons Tobacco Companies Engage in CSR Efforts

- **Growth of Transnational Tobacco Companies**

- **Change in social environment**
  - Increased demand for accountability

- Respond to perception created by information from tobacco industry documents

- Role of Non-Governmental Organizations (NGOs) and the World Health Organization (WHO)

- **WHO Framework Convention on Tobacco Control**


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Benefits for the Tobacco Companies from CSR Efforts

- Increase public credibility to be seen as an important partner for society
- Increase legitimacy as a responsible company
- Be more competitive
- Gain potential protection against judicial actions
- Avoid regulations or minimize impact of regulatory measures
- Tobacco companies have acknowledged a lack of credibility with the public, given its history of lies, denials, and deception*


Challenges with CSR Campaigns

- Tobacco companies need to reconcile CSR with . . .
  - Manufacturing of a product that kills one half of its users
  - Tobacco growing which uses pesticides and damages the environment and growers
  - Attempts to circumvent marketing restrictions
  - Not following their own voluntary codes and opposition to regulation
  - Company objectives and goals that are always going to remain incompatible with what public health wants
Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Challenges with CSR Campaigns

“we’ve checked and rechecked the books on Responsible Business Ethics and it’s good news...killing your customers just isn’t mentioned!”

BIG TOBACCO ETHICS COMMITTEE

Image source: Action on Smoking and Health, New Zealand.

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Key CSR Activities of Tobacco Companies

- “Public health” programs
  - Youth smoking prevention programs
  - Public information campaigns about the harms of tobacco
  - School-based health education
  - Cessation programs
  - Development of “reduced harm” tobacco products
  - Support for public health programs and environmental programs
  - Website development for communication with public
  - Insertion of messages inside cigarette packs (inserts)
  - Reduction of public harms associated with tobacco use
    - Support for ventilation systems and “accommodation” of smokers and non-smokers
    - Litter reduction programs

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Key CSR Activities of the Tobacco Companies

- Social and cultural programs:
  - Corporate support for music, fashion, theater, museum and other arts programs
  - Promotion of “exclusive” parties and events
  - Corporate support of sporting events

Youth Smoking Prevention Efforts

Sources (clockwise): Philip Morris International; Japan Tobacco International; Lorillard Tobacco Company.
Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Youth Smoking Prevention Efforts: Costa Rica


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Youth Smoking Prevention Efforts: Other Countries

South Africa

Mauritius

Zimbabwe
Youth Smoking Prevention Programs

- Research has shown that industry-sponsored programs do not work:
  - "Tobacco industry youth programs do more harm than good for tobacco control. The tobacco industry should not be allowed to run or directly fund youth smoking prevention programs."
  - An analysis of industry-sponsored TV ads showed:
    - "... little relation between exposure to tobacco company-sponsored, youth-targeted advertising, and youth smoking outcomes."
    - Ads targeting parents were associated with lower perceived harm of smoking

Source: *Landman and Glantz. (2002).*

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Youth Smoking Prevention Programs

- Research has shown that industry-sponsored programs do not work:
  - An analysis of industry-sponsored TV ads showed:
    - "... exposure to tobacco company youth-targeted smoking prevention advertising generally had no beneficial outcomes for youths. Exposure to tobacco company parent-targeted advertising may have harmful effects on youth ..."

Source: *Wakefield, et al. (2006).*

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Youth Smoking Prevention Programs

- What is the problem with these programs?
  - They do not work
  - They don’t address most social and health issues and science-based solutions
  - Materials emphasize the individual and neglect environmental factors and policy measures that can prevent youth from initiating smoking
  - Builds database for industry
  - Research has shown that in some cases, these programs increase young people’s susceptibility to begin smoking

Efforts to Promote Ventilation

- Industry promotes the installation of expensive equipment that is difficult to maintain and use
- Industry claims ventilation will eliminate the harms of secondhand smoke (SHS), but the equipment does not reduce SHS pollution and does not promote public health

Efforts to Promote Accommodation

- Also known as “courtesy of choice,” “living in harmony,” “smokers choice,” “free choice”

- Industry promotes the separation of smoking and nonsmoking areas
  - This provides no protection for workers or patrons

- Programs often promoted by local hospitality industry, but they are internationally coordinated programs with multiple tobacco companies involved

Image sources (left images only): British American Tobacco Uzbekistan CSR Report (top); TobaccoScam (bottom).

Reduced Harm or Increased Profits?

- Several tobacco companies state that they are developing less harmful tobacco products as part of their CSR effort, however . . .
  - There is NO scientific evidence that these products are less hazardous
  - Profit continues to be a motivator:
    - “Companies that move into the production of so-called “safer” cigarettes could be earning $20 billion in sales revenue by 2015 . . .”

Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Philip Morris International

“...Because for us economic performance is not the only measure of our success. Honesty, integrity, and social responsibility are just as important to the way we measure ourselves.”

—Philip Morris (2006)

Japan Tobacco International

“Our ambitions are embodied in our Mission Statement: To build a powerful global tobacco company, maximizing value for our key stakeholders while striving for industry leadership. We will differentiate ourselves through sustained innovation in all areas and always deliver the best in consumer satisfaction... We respect the views of society on tobacco and are ethical and responsible in our activities...”

—Japan Tobacco International
Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Corporate Donations: Japan Tobacco International

- Restoration of Historic Garden Railings of St. Petersburg
- Assistance to the elderly and disadvantaged in Romania
- “Smoking Manners” campaign

Images source: Japan Tobacco International S.A.

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Indian Tobacco Company

- “As a responsible corporate citizen, ITC promotes art, culture and education, besides working for the protection and enrichment of the environment and overall social development.”
  - Indian Tobacco Company
- But no mention of the health effects of tobacco use...
**Corporate Social Responsibility Programs:** Stella Bialous, RN, DrPH

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**British American Tobacco (BAT)**

- “Our companies are committed to providing consumers with pleasure through excellent products, and to demonstrating that we are meeting our commercial goals in ways that are consistent with reasonable societal expectations of a responsible tobacco group in the 21st century.”
  
  – British American Tobacco

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**British American Tobacco CSR Reports**

Source: British American Tobacco.
British American Tobacco CSR: Africa

- Sustainable development programs in Africa
  - Nigeria:
    - British American Tobacco Nigeria Foundation, formed in 2002, supports a wide range of programmes
  - South Africa:
    - British American Tobacco South Africa is in the middle of a three-year programme working with the Jumba community, a traditional tribal community
    - The company is providing support of £250,000 over three years for various activities

Source: British American Tobacco.
Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

British American Tobacco CSR: Africa

- Sustainable development programs in Africa
  - Mali:
    - The programme is managed by Afrique Initiatives in the Niantjila community and activities include installing machinery to reduce manual workload of women and farming activities
  - Kenya:
    - British American Tobacco Kenya has now worked for three years on sustainable development in the Kerio community, donating some £250,000

Source: British American Tobacco.

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Eliminating Child Labour


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Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

British American Tobacco: CSR Reporting

- BAT CSR claims to ascribe to the international reporting system, but can’t report on customer health and safety indicators, given that its product kills one half of its users.

<table>
<thead>
<tr>
<th>GRI #</th>
<th>Indicator</th>
<th>BAT Measure</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>PRODUCT RESPONSIBILITY</td>
<td></td>
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<tr>
<td></td>
<td>Customer Health and Safety</td>
<td></td>
</tr>
<tr>
<td>PR1.</td>
<td>Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programmes to address this issue, including monitoring systems and results of monitoring</td>
<td>While not reporting on these indicators, sections 2.1.1 and 2.2.5 report on product-related issues.</td>
</tr>
</tbody>
</table>

Source: British American Tobacco, Uzbekistan. CSR Report.

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Voluntary Codes of Conduct: BAT

INTERNATIONAL TOBACCO PRODUCTS MARKETING STANDARDS

- The parties subscribing to these Standards (the “Participants”) wish to record their belief that tobacco products should be marketed in a responsible manner and that reasonable measures should be taken to ensure that the promotion and distribution of tobacco product is:
  - directed at adult smokers and not at youth, and
  - consistent with the principle of informed adult choice.

Why Monitor the Tobacco Companies: WHO and FCTC

- Monitoring the industry and sharing information about industry’s strategies to derail tobacco control is a WHO mandate
  - Resolution 54.18 of the 54th World Health Assembly (May, 2001)

- WHO FCTC: “... be alert to any efforts by the tobacco industry to undermine or subvert tobacco control efforts and the need to be informed of activities of the tobacco industry that have a negative impact on tobacco control efforts ...”
Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Why Monitor the Tobacco Companies: WHO and FCTC

- WHO FCTC 5.3:
  - “In setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law.”

- WHO FCTC 20.4(c):
  - “(c) cooperate with competent international organizations to progressively establish and maintain a global system to regularly collect and disseminate information on tobacco production, manufacture and the activities of the tobacco industry which have an impact on the Convention or national tobacco control activities.”

WHO Report on Tobacco Industry

- Discusses industry efforts in sponsoring education, health, and other philanthropic activities

- Presents the issue of youth smoking prevention programs

Corporate Social Responsibility Programs: Stella Bialous, RN, DrPH

Tobacco Industry Position: FCTC

- “Tobacco after the Framework Convention”
  - How the WHO’s tobacco treaty will affect your business
  - Why the FCTC is doomed to fail
  - “Reasonable” policies and dialogue


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Countering the Tobacco Industry

- Keep an eye on the local tobacco industry
  - Industry publications, economic reports, and marketing
  - Websites
  - Activities sponsored by tobacco industry
  - Political mapping (review speeches, etc.)

- Use champions to speak the truth about tobacco
  - Preferably, individuals who have great visibility in society and attract media attention

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**Countering the Tobacco Industry**

- Expose the myths, refute industry arguments
  - Economic consequences of tobacco control
  - Unemployment
  - Freedom of choice
  - Freedom of speech
  - Decrease revenue if tax increased

- Make the industry accountable
  - Litigation—makes the industry unpopular

- Regulate the industry
  - Packaging and labeling (health warnings)

**Recommendations**

- Tobacco industry and health promotion goals are mutually exclusive—partnership is not possible

- Unequal balance of power and skills don’t make the foundation for true partnerships

- If the industry gives in one place, it will collect somewhere else

- Keep industry bottom line (profit from sales) in focus

- Outreach to others in the health promotion field and other fields

- Always check your sheep’s skin for wolves!
  - The tobacco industry is unlike any other industry
## Summary

- Corporate social responsibility efforts are tobacco companies’ attempt to regain credibility and public trust.
- CSR efforts have not demonstrated any positive impact on public health.
- Partnering with tobacco companies or supporting their initiatives is never a good idea.
- Be aware of industry’s strategies.
- Expose the industry to media, the public and policy makers, emphasizing that CSR and tobacco industry is an “inherent contradiction.”