



# SEATCA

SOUTHEAST ASIA TOBACCO CONTROL ALLIANCE

## Summary Sheet

### End Tobacco Industry Corporate Giving An Overview of CSR in Southeast Asia

- Tobacco companies are increasingly resorting to corporate social responsibility (CSR) activities in Southeast Asia to continue their promotion, buy goodwill and credibility to earn political mileage;
- CSR is a form of sponsorship, which amounts to promotions and hence should be prohibited
- CSR must be addressed as part of de-normalising the tobacco industry in implementing Article 5.3

CSR activities by tobacco companies are not banned yet in countries in the ASEAN region, which leaves a loop hole for the industry to exploit when all other forms of tobacco advertising, promotions and sponsorship are prohibited. The industry uses CSR as a key strategy to enhance its public image and obtain endorsement from top political leaders.

Philip Morris International (PMI) spent more money on CSR activities in Indonesia (\$6.2million) and the Philippines (\$2.2million) in 2011 compared to other countries in the region since both countries are important markets for PMI and poised to be vital profit base for its future.

Thailand has among the most stringent tobacco control measures in Asia including a ban on pack display. Since CSR activities are not yet banned, PMI increased its CSR activities from \$184,000 in 2009, to \$312,000 in 2011 focusing on the education sector and organisations working with the poor. Having access to the education sector enables access to minors and youth.

BAT sells 188 billion sticks in Asia Pacific region (27% of total volume) and its main markets in Southeast Asia are Indonesia, Malaysia and Vietnam. A closer look at its CSR activities in these countries reveal the main beneficiaries are workers related to its industry such as tobacco growers or tobacco factory workers.

In many ASEAN countries nearly half the male population are smokers, Indonesia (66%), Malaysia (46%), Philippines (48%) and Vietnam (47%), mainly from the lower income category. This means money that should be spent on basic expenses for the family such as food, health, children's education and transport are instead diverted to tobacco use. The tobacco industry's CSR activities are paid for with money that the companies earned including from poor smokers. This is a 1-way "win-win" for the industry and "lose-lose" for the poor and government when families remain impoverished and smokers fall ill and seek treatment.

#### Progress in Curbing Tobacco Industry CSR Activities

- 1) **Ban on donations to schools:** The Philippines Department of Education has issued a circular restricting interaction of officials with the tobacco industry and the circular includes a prohibition of the tobacco industry contributing funds.
- 2) **CSR Bans:** Vietnam's tobacco control legislation limits CSR to certain types of programmes but bans the publicity on the sponsorship in the mass media.

#### RECOMMENDATIONS

- 1) CSR activities by the tobacco industry should be prohibited;
- 2) Countries that are unable to prohibit CSR activities by the tobacco industry should ban its publicity;
- 3) The tobacco industry should be strictly prohibited from conducting any CSR activities that concern children or the education system; the industry must declare its profits from cigarette sales to minors.

#### Handout: