



**Tobacco Charity Exposed:  
Review of the Tobacco Industry's CSR Activities in  
the ASEAN**



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### **About SEATCA**

SEATCA is a multi-sectoral non-governmental alliance promoting health and saving lives by supporting ASEAN countries to accelerate and effectively implement the evidence-based tobacco control measures contained in the WHO Framework Convention on Tobacco Control. Acknowledged by governments, academic institutions, and civil society for its advancement of tobacco control in Southeast Asia, the WHO bestowed upon SEATCA the World No Tobacco Day Award in 2004 and the WHO Director-General's Special Recognition Award in 2014. SEATCA is an official NGO Observer to the WHO FCTC Conference of Parties and a co-initiator of the Global Center for Good Governance in Tobacco Control (GGTC).

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## Introduction

As tobacco advertisements, promotions, and sponsorships are being restricted or prohibited by governments in line with the WHO Framework Convention on Tobacco Control (FCTC), the tobacco industry increasingly resorts to more insidious strategies to promote its products to consumers. Tobacco companies conduct their so-called corporate social responsibility (CSR) activities to divert attention from the diseases and harms caused by their products, buy goodwill and publicity, influence policy development, and weaken or hinder the implementation of tobacco control policies.

Tobacco industry CSR is an “inherent contradiction” according to the World Health Organization (WHO), as the industry’s core functions directly conflict with the social equity goals of public health policies with respect to tobacco control.

The tobacco industry’s business model undermines practically all 17 United Nations (UN) Sustainable Development Goals (SDGs). However, the industry continues to brand and promote itself as a legitimate partner for sustainable development and environmental protection. In reality, the tobacco industry hinders the SDGs by adversely impacting poverty, hunger, health, education, gender equality, economic growth, and inequality.

## WHO FCTC recommendations on CSR activities by tobacco industry

CSR activities of the tobacco industry provide an opportunity for the tobacco industry to reach a broader audience, to access to policymakers and obstruct tobacco control goals. In view of this, the WHO FCTC Guidelines call for a prohibition of CSR activities by the tobacco industry. All Parties to the FCTC are obligated to implement this action.

FCTC Article 5.3 Guidelines on the protection of public health policies with respect to tobacco control call on Parties to **de-normalize** and **regulate** activities described as “socially responsible” by the tobacco industry, including but not limited to activities described as “corporate social responsibility” (Recommendation 6).

FCTC Article 13 Guidelines on banning tobacco advertising, promotion and sponsorship recommend:

- 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**.

## Tobacco industry corporate giving in the ASEAN region

At the height of the COVID-19 pandemic, the tobacco industry increased its investment in so-called CSR activities in the ASEAN region. Philip Morris International (PMI) tripled its expenditure on so-called CSR activities in the ASEAN region over the past three years (Table 1), although it reduced by almost half the number of organizations it is channeling funds through. In 2021, the lion's share of such funds went to only one organization in the Philippines, the Jaime V. Ongpin Foundation Inc. (JVOFI).

PMI continues to distance its CSR activities from its deadly business by tapping foundations or civic organizations to conduct CSR activities. In Indonesia, Imajinasi Penala Maja, KADIN, and Yayasan Inovasi Teknologi Indonesia (INOTEK) were among the organizations that received PMI money. In Malaysia, four organizations (Animal Projects & Environmental Education, Impact Altruism, Malaysian AIDS Foundation, MERCY Malaysia) received PMI donations. In Thailand, all donations were coursed through one NGO, the Population and Community Development Association.

**Table 1: Philip Morris International CSR funding, 2019–2021**

	2019		2020		2021	
	Organizations	USD	Organizations	USD	Organizations	USD
Indonesia	16	5,972,145	17	8,007,835	10	5,627,654
Malaysia	1	83,870	0	0	4	184,735
Philippines	8	2,927,906	2	13,405,967	1	17,319,573
Thailand	4		1	478,164	1	483,871
Vietnam			1	96,000		
<b>TOTAL</b>	<b>29</b>	<b>8,983,921</b>	<b>21</b>	<b>21,987,966</b>	<b>16</b>	<b>23,615,833</b>

As in 2020, tobacco industry contributions were reportedly used for COVID-19 response, providing support to communities to mitigate the impact of the pandemic, while associating with the UN SDGs, such as poverty alleviation and education.

British American Tobacco (BAT) recently promoted its Environmental, Social and Governance (ESG) framework, reportedly aimed at reducing its “environmental and social impacts” specifically focusing on protecting the environment, enhancing farmer livelihoods, respecting human rights, and supporting communities. A study analyzing BAT documents shows that the company has developed a wide-ranging CSR program, one of the key aims of which was to help the company secure access to policymakers and increase its chances of influencing policy decisions.

As the pandemic continued into 2021, BAT continued to do CSR associated with pandemic relief efforts. For example, in Vietnam, BAT claimed to have contributed USD 50,000, (over VND 1.1 billion), to the government vaccine fund. BAT Vietnam reported it also cooperated with Ho Chi Minh City Police to donate rice to people in need in Phu Yen and Khanh Hoa provinces in August 2021. In Malaysia, BAT staff distributed lunch through a Dapur Rakyat (community kitchen) service during Ramadan. However, BAT has not declared the full scale of its CSR activities nor how much it spends.

Japan Tobacco focuses its CSR activities on sustainable development, identifying that the common goal of its community investment policy is “to contribute to the development of inclusive and sustainable communities.” Between 2015 and 2030, JTI pledged to invest USD 600 million to make communities inclusive and resilient. The focus areas of JTI’s CSR activities include access to food and education, improving community resilience in disaster-prone areas, and protecting the environment, such as replanting trees.

## Jaime V. Ongpin Foundation Inc. (JVOFI) – PMI’s ally

How the tobacco industry can subvert an NGO to champion its own agenda and the importance of banning tobacco-related CSR activities are best illustrated in PMI’s charity to JVOFI in the Philippines. Tobacco-related CSR activities are only partially restricted by the Philippines’ Tobacco Regulation Act 2003, but in 2010, the Civil Service Commission-Department of Health Joint Memorandum Circular (JMC), based on the WHO FCTC, prohibited government officials from endorsing CSR activities by the tobacco industry. Despite this, PMI steadily increased its contributions to JVOFI going from USD 71,853 to a whopping USD 17.3 million in 2021 (Table 2).

**Table 2: PMI’s charitable contributions to JVOFI (2009-2021)**

Year	USD	Year	USD
2009	71,853	2016	735,444
2010	71,853	2017	870,373
2012	275,000	2018	1,320,298
2013	1,352,992	2019	2,721,099
2014	406,105	2020	13,174,265
2015	876,676	2021	17,319,573

In 2019, the year PMI launched its Embrace program through JVOFI, PMI’s funding to JVOFI doubled from USD 1.3 million (2018) to USD 2.7 million, framed as supporting the UN SDGs. Through the Embrace program, PMI was able to obtain endorsement from government officials, since the program focused on community health, poverty alleviation, and calamity relief across the country (Fig.1).

**Fig.1** (Left) 16 Mar 2020: The [Jaime V. Ongpin Foundation Inc.](#) donated thermal scanners to the Philippine National Police personnel at border checkpoints. (Right) 21 Mar 2020: The relief drive dubbed as “Help Flows” is supported by LT Group member firms Asia Brewery, Inc., Eton Properties Philippines, Inc., and PMFTC Inc.’s Embrace CSR program.



# 4

PMI's charity to JVOFI swelled four-fold from USD 2.7 million in 2019 to USD 13.1 million in 2020, the year the COVID-19 pandemic began. PMI's tactical move to course its charity through JVOFI brought it into contact with a wide range of officials including the Philippine National Police, city health officials, and barangay (community) officials. As the pandemic continued into 2021, the USD 17.3 million donation to JVOFI was bigger than all PMI's donations in other ASEAN countries combined.

In August 2021, JVOFI obtained a 3-year USAID grant for an environmental conservation project, facilitated by Gerry Roxas Foundation through its INSPIRE program. The USAID has a strict policy of no-collaboration with the tobacco industry but appears to have missed the details of JVOFI's sponsorship from PMI. While the JVOFI promotes its funding from USAID and other funders on its website, it does not declare its long-term collaboration or the size of its annual funding from PMI.

## How much money did Big Tobacco earn in 2021?

While tobacco companies claim they are "giving back to society" in their CSR program, it is their customers who actually pay for these programs, and it is a small expense compared to the billions they make in revenue.

Company	Net revenues in 2021 (USD)
Philip Morris International	31.4 billion
British American Tobacco	30.5 billion
Japan Tobacco Inc.	16.5 billion

## Progress

Brunei, Lao PDR, Myanmar, and Thailand have banned CSR contributions by the tobacco industry, while other ASEAN countries only have partial restrictions (Table 3).

**Table 3: Status of ban on tobacco industry-related CSR activities**

Article 13 Guidelines	BRN	KHM	IDN	LAO	MYS	MMR	PHL	SGP	THA	VNM
Provision of financial support to event, activities, individuals of groups	Grey	Red	Red	Grey	Red	Grey	Red	Red	Grey	Red
Contributions from tobacco companies to any other entity for "socially responsible causes."	Red	Red	Red	Grey	Red	Grey	Red	Red	Grey	Red

Legend:  Ban  No ban

Though the tobacco industry's CSR activities are not prohibited in Cambodia, there is progress in denormalizing these activities. The Cambodia Department of Agriculture, Forestry, and Fishery has ended its partnership with BAT on its tree planting project in Kampong Cham province. The partnership went on for several years but was finally terminated through the consistent and strategic advocacy of the Cambodia Movement for Health (CMH). Furthermore, it was reported that the government agency has removed all billboards and signboards about the tree planting project with BAT and will not be receiving further donations from the tobacco industry.



Fig.2 Previous publicity for tree planting CSR program in Kampong Cham, Cambodia

## Recommendations:

1. CSR activities by the tobacco industry should be prohibited, without exception, such as for calamity or pandemic relief since they are a form of tobacco sponsorship and policy interference.
2. Public officials should be transparent and accountable in their interactions with the tobacco industry.
3. Government agencies should reject grants and partnerships with the tobacco industry and publicize their official position of non-collaboration.
4. Governments should denormalize tobacco-related CSR activities as recommended in the WHO FCTC Article 5.3 Guidelines.

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