NEWS ANALYSIS

Corporate social responsibility: serious cause for concern

The need for the public health community to remain wary of corporate social responsibility (CSR) strategy by companies associated with the tobacco industry was demonstrated at the World Cancer Congress hosted by the International Union Against Cancer (known by its French acronym - UICC) in Washington DC in July. Snuggled within a session on ''The role of corporate citizens: Looking at the business community as volunteers'' was a presentation entitled ''The role of KPMG as a corporate citizen,'' during which the audience, numbering 60 or so cancer experts, were subjected to a glowing review of what the consultancy firm was ''giving back'' to society. KPMG International, a Swiss-based network of independent member firms, boasts 94 000 staff in 144 countries. Its long list of good works range from its Relay for Life fun runs to staff volunteering, with much of these funds raised given to cancer research. Such activities form part of KPMG's commitment to CSR, described on its website as ''Our commitment to transparency and integrity and our strong desire to make a positive difference to the world [as it reflects] the beliefs and actions of many of our clients''.

What was not mentioned, however, was the longstanding relationship of KPMG with the tobacco industry. Acting as what Philip Morris calls Information Management Consultants, KPMG has been a long time advisor on such key issues as tobacco taxation, advertising restrictions, smoking bans, investment in emerging markets and, more recently, corporate social responsibility. In its 2004 annual report, KPMG cited its ''strong relationships with such leading companies as Philip Morris. These highly respected companies placed their confidence in KPMG, trusting us to provide the insights and dedication necessary to meet their changing needs''. One of those changing needs is CSR. Internal tobacco industry documents describe how, as British American Tobacco (BAT) was developing its strategy to gain ''air cover'' from public criticism through social reporting, KPMG expressed that it was ''keen to work with BAT'' in ''repositioning tobacco manufacturers as socially responsible''. KPMG had already played a key role in developing the CSR strategy for Philip Morris.

Two questions are raised regarding engagement by the public health community with CSR. First, there is a need for more critical debate within and beyond the public health community on the rapid proliferation of CSR initiatives, which are diverse in both their content and intent. CSR is, in large, about improved transparency and accountability by the corporate sector. KPMG's own Transparency Report and Global Code of Conduct focus on ''performance with integrity'' based on ''core values'' of ''The KPMG Way''. Among its stated commitments are ''Observing rigorous standards of client and engagement acceptance'' and ''Preserving KPMG's brand and reputation by avoiding actions that would discredit the organization.'' How, therefore, does KPMG reconcile these aspirations with its major role in advising the world's largest tobacco companies on fighting tobacco control efforts and expanding within emerging markets?

Second, within the context of the World Cancer Congress, which purposefully overlapped with the World Conference on Tobacco OR Health to draw attention to the role of tobacco in cancer morbidity and mortality, the invitation extended to KPMG was puzzling. To what extent was it appropriate for an organisation with such a close affiliation to the tobacco industry to be provided with a platform by the UICC to present its CSR credentials? KPMG provides extensive services to the tobacco industry including research and policy advice directly intended to counter tobacco control efforts. From the perspective of KPMG, providing such services could perhaps be considered offset by its laudable contributions to raising significant funds for the American Cancer Society (ACS). The ACS, the main organiser of the World Cancer Congress this year, seems to think so too, awarding its first annual Eugene O'Kelly Award to Recognise Service, Volunteerism to KPMG as ''a respected industry leader and advocate in the fight against cancer''. The award is named after the former CEO of KPMG who died of cancer in 2005. Allowing a firm with such extensive tobacco industry affiliations to present its CSR credentials to a world conference on cancer, however, clearly warrants wider debate within the public health community.

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Sri Lanka: brand launch runs into protest

For many years, Ceylon Tobacco Company, a subsidiary of British American Tobacco (BAT) enjoyed a near monopoly in Sri Lanka, whose beautiful countryside and historic cities it freely despoiled with promotion for its Bristol cigarette brand. But recently, in a seemingly unlikely backward step reminiscent of its colonial past, BAT decided to write off years of investment in Bristol by changing the brand's name to Viceroy.

Bristol's sales had been falling, no doubt partly due to increased tobacco control activity, and recent brand promotions had not achieved their targets. In addition, efforts to encourage Bristol smokers to switch to BAT's more profitable and highly promoted Gold Leaf brand had partially backfired due to strong community smoking cessation programmes targeted at low income groups under the government's poverty alleviation programme. BAT seems to have been losing its lower-priced market segment, seeing Viceroy as the way to recapture it. BAT has also been rationalising its range of brands worldwide; Bristol is virtually unknown outside Sri Lanka, whereas Viceroy sells in more than thirty countries.

So, the company set about trying to convince shopkeepers and distributors that not only would Viceroy do better than Bristol, but its tobacco and processing were the same anyway. As promotional campaigns put it, Viceroy offered ''The same flavour under a new name''. BAT even tried to convince national railway officials to renovate

and repaint a dilapidated colonial era ''Viceroy'' train to its former glory as a flagship for the brand's promotion, forgetting the railway company's well-established smoke-free policy. When planning the official brand launch, too, things did not go well for BAT. It booked a top hotel in Polonnaruwa, the country's capital in medieval times, but overlooked the well-informed and energetic network of organisations and individuals working against tobacco in the area.

On the morning of the official launch to local shopkeepers, around a hundred protesters showed up at the hotel, including representatives of health groups, womens' and mother's organisations, child protection agencies and nurses. As the morning wore on, some of them, complete with banners and placards, started shouting their disapproval in front of the hotel. Youth protesters then demanded to speak to BAT officials—10 were said to be present—but hapless hotel staff, who by now had tightened security, tried but failed to persuade any of them to come out. Things went from bad to worse, with an elaborate farce in which hotel go-betweens could only persuade the company's local agent to come out to address the crowd, clearly an embarrassing experience for a man faced with an angry crowd of people from his own part of the country. Still the crowd demanded to speak to BAT's own executives, but still they refused, being forced to forget about the event and hide inside the hotel.

Activists from the many organisations involved returned home in the knowledge that they had taught a big tobacco company a lesson, boosting morale and encouraging them to keep up their efforts in the future.

Sri Lanka: protestors demonstrating outside a hotel where BAT was trying to launch a new cigarette brand to retailers.

USA: Kool's ''Be True'' funding

Health professionals have not been the only ones busy writing grants recently. This summer, Reynolds America's Kool brand offered young adult smokers a chance to compete for either 10,000 or 2,500 US dollars in ''business grants''. The stated intention of its programme, called the ''Be True Grant Fund'', was to help ''entrepreneurs achieve their ambitions and contribute to their communities''. The programme, along with Kool's ''Art of Business Seminars'' currently running in US cities, was tied in with Kool's current ''Be True'' cigarette brand promotion campaign, which emphasises creativity, originality and staying connected with one's ''roots''.

To be eligible for a ''Be True'' grant, applicants must reside in one of 10 participating major US cities, be under the age of 36, and certify that they are smokers. Non-smoking entrepreneurs who want to achieve their ambitions need not apply, but that might not be relevant since the promotion provides plenty of opportunities for interested non-smokers to become smokers. Promotional materials, such as brochures found in bars, direct potential

USA: Kool "Be True Grant Fund" promotional brochure found in a bar outside New York City. Other participating cities include Atlanta, Baltimore, Chicago, Charlotte, Houston, Los Angeles, New York, Philadelphia, Oakland/San Francisco and Washington DC. Image courtesy of Trinkets and Trash (www.trinketsandtrash.org).

applicants to Kool's website, www.kool.com, a promotional site full of young and urban themed interactive features, to access the grant guidelines and application forms. However, entry into the password-protected website comes only after registration, a tactic which conveniently provides KOOL with yet more names for its extensive direct marketing databases, as well as permission to contact the individuals in the future.

In addition to providing information about the grant, the Kool website also advertises a series of Kool sponsored ''business seminars'' purportedly designed to help the young adults ''take their business ideas to the next level''. Images of these seminars on the site, however, suggest that they also provide an unhealthy dose of Kool marketing (with prominently placed Kool signage) to a largely African American audience, indicating continued marketing of menthol cigarettes to minorities. The website also points out that work without play is no fun, and thus the seminars are followed by after-seminar parties that seem certain to be another hot spot for tobacco promotions.

While Kool may indicate that it is merely trying to help people ''realise their dreams'', the characteristics of the promotion suggest the dawn of yet another strategy for reaching young adult and minority smokers. For a relatively low cost (including a total grant award expenditure of $125,000), the brand earns new philanthropic credibility with its target audience, while marketing to them and collecting their contact and smoking preference information for future marketing efforts. Ironically, pack-a-day smokers could save approximately $2,050 towards their business dreams (based on the average pack of cigarettes in the USA) by stopping smoking for a year.

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Israel: first FCTC court case

Israel has long been in the forefront in using the court, to make progress in tobacco control, so it is appropriate that it has scored a world first with the application of a law enacted under the World Health Organization's Framework Convention on Tobacco Control (FCTC). The victory, in July, was about protecting a woman exposed to second-hand smoke in a Jerusalem restaurant. Israel has a tough law against smoking in workplaces, but it is poorly enforced by local government officials.

A local court first awarded the woman only nominal compensation by the restaurant's owners, and there was no intervention by the district court in Jerusalem. However, on appeal to the high court of justice, a judge upheld her case and raised the compensation tenfold to 1000 shekels (US$225), plus costs of more than twice that sum.

Health workers and, as in this type of case, non-smokers, have all too often seen how tobacco control legislation is only as good as the will to enforce its provisions. By demonstrating that a private individual can seek redress direct from the court, the case has given hope that Israelis can eventually enjoy a model, tobacco-free society.

Argentina: down Mexico way?

To everyone working to reduce disease and premature death caused by tobacco, implementation of the World Health Organization's Framework Convention on Tobacco Control (FCTC) is now the most important single target. Conversely, to the international tobacco industry, the prevention of full and effective implementation of the FCTC must be the topmost priority for trying to ensure that business goes on as usual. In Latin America, the industry must be drawing hope from the deal forged between two of the world's largest tobacco companies, Philip Morris and British American Tobacco (BAT), with the health ministry in Mexico. Instead of backing proposals in parliament for larger, graphic health warnings, like those in Brazil, the ministry stuck with one small, ineffective panel on the back of the pack, leaving the design of the front unaltered (see Mexico: backroom deal blunts health warnings. *Tobacco Control* 2006;**15**:348–9).

Argentina: one of BAT's advertisements publicising its "responsible" voluntary increase in the size of its pack health warning.

In Argentina, as future tobacco control legislation was being debated recently, BAT began running advertisements in newspapers and on billboards, about health warnings. With sickening self-righteousness, the ads proclaimed that BAT was such a responsible company that it had increased - voluntarily, you understand - the size of the small, miserable, old-style, text-only health warning on its packs. Not to miss a promotional opportunity, accompanying the unctuous self-praise, the ads carried a picture of a pack with the new warnings - a somewhat larger, miserable, old-style, text-only health warning. Needless to say, it is pathetic compared with neighbouring Brazil's world-leading warnings, packed with graphic depictions of various diseases people can get from smoking cigarettes. It can be assumed that a modest increase of size will not affect sales or the social acceptability of smoking, as Brazilian-style warnings would do, so the purpose of such a move can only be to persuade gullible politicians and opinion formers that a ''responsible'', voluntary approach is much preferable to despoiling its intellectual property with nasty pictures of lungs and cancerous mouths.

Herein lies the real danger of such moves becoming acceptable to governments as an alternative to effective legislation as envisaged by the World Health Organization when framing the FCTC. Go down this route, the Mexican way, and we are right back to the dark days of the much discredited ''voluntary agreement'' system. By such confidence tricks, the tobacco industry held off effective tobacco control for more than two decades, adding needless tens of millions to the already massive toll of premature deaths caused by smoking.

France: key role of NGOs in enforcement

The first tobacco control law in France, adopted in 1976 and known as the ''loi Veil'', or Veil law after the then health minister, gave the right to non-governmental organisations (NGOs) specialising in tobacco control to launch legal action if the law was not respected. This right was confirmed in the Evin law of 1991, and even extended to consumers'

rights and families' rights associations in public health legislation in 2004.

The health ministry has provided partial financial support to NGOs for this purpose since 1991. This support is due to the fact that the first law (loi Veil) was not enforced at all by the ministry of justice, the appropriate authority, which to this day still shows a total lack of commitment to tobacco control. This inertia of the public prosecutors only encouraged the tobacco industry to continue and develop its promotional campaigns during the 1970s and '80s.

In France, the tobacco industry is still very powerful. The former monopoly, SEITA, now part of Altadis, maintains close relationships with the authorities, including customs, retailers and many other sectors. The provision for NGOs to launch legal action has therefore been vital. In other countries where the industry is still very powerful, including developing countries, the ability to initiate legal action can also be an invaluable way to implement the FCTC because it can, at least partly, compensate for the lack of will or resources of the government to monitor and enforce legislation. Moreover, the limited financial resources of health organisations can easily be made good by the fines imposed on tobacco companies found to have breached the law.

Thanks to law suits that French NGOs have been able to take, they have developed a whole jurisprudence about the advertising ban, health warnings and non-smoker's rights, which greatly contributes to strengthening the legislation and ensuring its comprehensive enforcement. Experience shows that legal actions put the tobacco companies in an uncomfortable situation, a kind of insecurity. They damage the companies' images, and managers are rightly frightened of being found personally guilty, another important possibility under the French law. The impact is all the more important when verdicts are reported in the press and contribute to public opinion about tobacco. This plays a direct part in the ''denormalisation'' of the tobacco industry and of smoking in society.

However, experience also shows that even when legal victories have been won, the tobacco industry never gives up, but keeps on fighting behind the scenes, step by step, to try to recover and maintain the use of all its tactics. Day after day we see how the tobacco industry continues to exploit loopholes in various regulations. In this respect, monitoring systems have been developed since 1991, which control, list and analyse all the violations concerning the advertising ban. It may be about indirect promotion at retailers, motor racing sponsorship during Formula One events, or product placement in films. These systematic observations, which could be useful in the elaboration of a protocol concerning trans-border advertising under the FCTC, enable us to monitor the marketing activities of the tobacco industry, and consequently adapt our litigation strategy. The recent evolution of the use of tobacco packs as a support for tobacco advertisements is an illustration of the industry's persistence. Even if we managed to condemn these ''fun packs'', it clearly shows the necessity of plain packaging. In this respect, legal action can also lead the way towards other tobacco control measures.

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Canada: doctors condemn university tobacco cash

The Alberta Medical Association (AMA) is the official voice of over 8,000 physicians in Alberta (Canada) and represents more than 97% of physicians in the province. In September, the AMA adopted its addiction medicine section's position in opposing the involvement of and/or sponsorship by the tobacco industry in any activity—especially research—at Alberta universities, colleges and medical research institutions. Physicians are aware of the enormous current and future health costs of tobacco on their patients; and many are also aware of the unethical conduct of the tobacco industry and its history of denial, obfuscation and deceit over the harmful effects of its products. The membership's response to this resolution was overwhelmingly positive.

The University of Alberta, the largest post-secondary institution in the province, recently appointed a staff member who was in possession of an unrestricted grant of US$1.5 million from the US Smokeless Tobacco Company, to its school of public health. Arguments exist to support such acceptance of tobacco industry funding, including academic freedom, the constant need for research funding, the existence of ethical procedures to promote rigour, the fact that tobacco is a ''legal product'', and the use of this money for the advancement of knowledge rather than profits.

However, with adoption of the new resolution, the acceptance of tobacco industry funding by the University of Alberta is opposed by the AMA, and there are other indications of dissent with the partnership between academia and the tobacco industry at the university. Its board of governors previously refused a donation for scholarships of nearly $500,000 from an undisclosed tobacco manufacturer. The students' union determined they no longer wished to profit from selling tobacco, and removed tobacco products from their shops. Most recently, a member of the faculty of medicine and dentistry was screened out of consideration for federal research funding because of an inability to declare that the department did not, or during the course of the research would not, accept tobacco industry funding.

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USA: Guam's restaurant law prompts wider action

The passage of Guam's smoke-free restaurants law (see *Tobacco Control* 2006;**15**:78–9) has served as a tipping point for tobacco-free policies in both the public and private sectors. Since the passage of the law, the Guam Department of Mental Health and Substance Abuse, the University of Guam and the Guam Community College all enacted 100% tobacco-free policies, banning all smoking and chewing of tobacco products, both indoors and outside, on their premises. In the private sector, two health insurance companies, Netcare and TakeCare, also adopted similar policies. The latest to join the trend is Guam Memorial Hospital, which is going 100% tobacco-free in October.

Health advocates have noted how the law seemed to push these organisations over a certain threshold, from reluctance to acceptance of a tobacco-free corporate norm. In addition, Guam's restaurants, now 100% smoke-free indoors, are enjoying a robust traffic in customers. Not a single one has reported business losses from the smoke-free policy. Instead, a number report a surge in business since they went smoke-free.

As anticipated when Guam's law was passed last December, the ripples are already spreading across this part of the Pacific. One of Guam's Micronesian neighbours, the Commonwealth of the Northern Mariana Islands, has recently sent to its legislature a bill prohibiting tobacco use in all enclosed public spaces.

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Pakistan: top court's order for health

After years of doing nothing to regulate one of the international tobacco industry's most profitable adventure playgrounds, and only passing legislation that it seemed to have no intention of enforcing, the government of Pakistan has at last been ordered by the highest court in the land to take tobacco control, and its own laws, more seriously.

The country's Supreme Court has the power to take up any issues it considers to be a matter of public importance, and will sometimes act simply on the basis of press reports. More usually, it considers specific requests for justice, as in this case. Pakistan's leading tobacco control advocate, respiratory physician Professor Javaid Khan of the Aga Khan University in Karachi, wrote to the court in March - it cost only his time and knowledge to present the case for action - detailing Pakistan's appalling tobacco problem, and the catalogue of inaction by the government, despite having passed laws such as a ban on smoking in public places.

In September, to the delight of Professor Khan and many frustrated colleagues throughout the country, the court issued its findings. It formally requested the government to be more stringent about enforcing its tobacco control laws, and specifically to delegate punitive powers to provincial governments for the enforcement of the law passed in 2002 which is supposed to ban smoking in offices, hospitals, educational institutions and public transport.

The court's response gained widespread media coverage, and understandably, threw the health ministry into turmoil, knowing it had to report back to the court within three weeks. A flurry of activity was seen, including the removal of some long-banned tobacco billboards. The health ministry is right to be worried, even if it is for the wrong reason. It has to make up for years of inaction, albeit years of what must have seemed like a perpetual blizzard of cigarette promotion aimed at young people. If recourse to the court action was comparatively simple—even simpler than the provision for legal redress afforded to non-governmental organisations in France, reported above—the solution will be complex and difficult. The deeply ingrained problem has been strenuously fuelled by transnational tobacco companies who will no doubt be just as strenuous in resisting effective action. The health ministry has its work cut out for many years to come.

Pakistan: the Supreme Court Pakistan in Islamabad.

World: BAT's handy hints for sales staff

British American Tobacco (BAT) does not seem to have much confidence in some of the salespeople it recruits, if a staff training film made by the company is anything to go by. Apparently made originally for use in Malaysia, mostly with Malaysian Chinese models, the film shows how young saleswomen, smartly dressed in gold, the brand colour of Benson & Hedges cigarettes, should ask men to try the brand, how to light the men's cigarettes, and generally how to comport themselves when trying to win new customers in a variety of settings.

The film was also used in Nigeria; whether BAT sales executives thought about possible identification problems among the lucky young Nigerian women being trained is not known. Of more concern to the sales team, apparently, were issues about personal presentation and behaviour.

Separate sequences dealt exhaustively with the young saleswomen's working day. Each began by urging them to "Start with a good wash!", and a reminder to do their make-up carefully. In addition to personal cleanliness and appearance, and of course the need for politeness at all times, the film covers other conduct that one might think BAT could take for granted, and which in any case is unlikely to be altered by a training film.

In a sequence dealing with promoting cigarettes inside a department store, for example, a young saleswoman is seen eyeing a display of soft toys. The voice-over exhorts the audience to respect the host company's merchandise when, horror of horrors, the gold-clad model picks up one of the toys and discreetly tucks it inside her jacket. "Don't shoplift!", instructs the voice-over, and to make sure the point is not lost, this unequivocal instruction appears superimposed on the freeze-framed shot of the precise moment of theft. BAT sales staff: nice people to do business with.

Scenes from BAT's training video for Benson & Hedges saleswomen, who were urged, "Don't shoplift!".