
Czech Republic

**TOBACCO
INDUSTRY
INTERFERENCE
INDEX
2023**

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Background and Introduction

Since ratifying the WHO Framework Convention on Tobacco Control (FCTC) on 1 June 2012, the Czech Republic has made progress in the implementation of the treaty and smoking prevalence is declining slowly. However, the progress has been hampered by interference from the tobacco industry. This is a report on the implementation of FCTC Article 5.3 guidelines,¹ and documents how the industry interferes in policy development and the government's response to the interference.

The main legal framework regulating tobacco products is Act No. 110/1997 Coll., on Food and Tobacco Products and on amendments to Certain Related Acts, as amended.² Implementing legal regulation to Act No. 110/1997 Coll. is Decree No. 261/2016 Coll., on tobacco products, as amended³, Decree No. 37/2017 Coll., on electronic cigarettes, electronic cigarette refills and herbal smoking products⁴ and Decree No. 141/2023 Coll., on tobacco-free nicotine pouches⁵.

Directive 2014/40/EU of the European Parliament and of the Council on the approximation of the legal and administrative regulations of the member states regarding the production, trade arrangement and sale of tobacco and related products was transposed into these legal regulations. Some provisions of this Directive were transposed into Act No. 65/2017 Coll., on the Protection of Health against the Harmful Effects of Addictive Substances, as amended⁶. Administrator of Act No. 110/1997 Coll. including Decree No. 261/2016 Coll. is the Ministry of Agriculture. Administrator of Act No. 65/2017 Coll. including Decree No. 37/2017 Coll., on electronic cigarettes, electronic cigarette refills and herbal smoking products and Decree No. 141/2023 Coll., on tobacco-free nicotine pouches is the Ministry of Health.

The key law for tobacco products in the area of taxation is Act No. 353/2003 Coll., on consumption taxes, as amended, and its implementing Decree No. 82/2019 Coll., on tobacco labels, as amended with Ministry of finance as an administrator of the act.^{7,8} The authority competent to control tobacco products is the Czech Agriculture and Food Inspection Authority, CFIA.⁹ Advertising Regulation Act - Administrator of Act No. 40/1995 Coll. is the Ministry of Industry and Trade.¹⁰

¹ Article 5.3 Guidelines: http://apps.who.int/iris/bitstream/10665/80510/1/9789241505185_eng.pdf?ua=1

² Laws for the people. Act No. 110/1997 Coll., on Food and Tobacco Products and on amendments to Certain Related Acts, as amended. <https://www.zakonyprolidi.cz/cs/1997-110>

³ Laws for the people. Decree No. 261/2016 Coll. Decree on tobacco products. <https://www.zakonyprolidi.cz/cs/2016-261>

⁴ Laws for the people. Decree No. 37/2017 Coll., Decree on electronic cigarettes, electronic cigarette refills and herbal smoking products. <https://www.zakonyprolidi.cz/cs/2017-37>

⁵ Laws for the people. Decree No. 141/2023 Coll., Decree on tobacco-free nicotine pouches. <https://www.zakonyprolidi.cz/cs/2023-141>

⁶ Laws for the people. Act No. 65/2017 Coll., on the Protection of Health against the Harmful Effects of Addictive Substances. <https://www.zakonyprolidi.cz/cs/2017-65>

⁷ Laws for the people. Act No. 353/2003 Coll., on consumption taxes, as amended. <https://www.zakonyprolidi.cz/cs/2003-353>

⁸ Laws for the people. Decree No. 82/2019 Coll., on tobacco labels, as amended. <https://www.zakonyprolidi.cz/cs/2019-82>

⁹ Czech Agriculture and Food Inspection Authority.

[Tobacco products - Obligations of economic entities]. Published 4/4/2023.

<https://www.szpi.gov.cz/clanek/vybrane-komodity-tabakove-vyrobky-prirucka-pro-tabakove-vyrobky.aspx>

¹⁰Laws for the people. Act No. 40/1995 Coll. <https://www.zakonyprolidi.cz/cs/1995-40>

In the Czech Republic, 16,000 to 19,000 people die annually as a result of smoking. The share of smoking in annual mortality in the Czech Republic is 17% as shown in the new study published by the National Institute of Mental Health.¹¹ Smoking prevalence in 2022 was 24.4% of adult population (15-64 years) – 30.5% men and 18.7% women. In the 15-24 age group, 25.4% of people smoke; in the age category 25–44 smoke 28.4%; in the age category 45–64, 26.0% smoke, and in the age category 65+, 16.9% smoke.¹²

According to the Czech Statistical Office, cigarette consumption in the Czech Republic was estimated to be at 1,958 cigarettes per person annually in 2019 and 1,894 in 2020¹³. Main tobacco companies operating in the Czech Republic (CR) are Philip Morris International (PMI), British American Tobacco (BAT), Imperial Brands and Japan Tobacco International (JTI). Revenue from cigarettes amounted to US\$236.8m in 2020. The tobacco market is expected to grow annually by about 3 percent. Figure 1 shows cigarette market share of the 4 major tobacco companies in the country: PMI Czech Republic (31,4% in 2021)¹⁴, JTI (28.9% in 2022)¹⁵, Imperial Brands (13.9% in 2019)¹⁶, BAT (22.2% in 2020)¹⁷.

Figure 1: Cigarette Market Shares of Tobacco Companies in the Czech Republic

¹¹Our healthcare. [Up to a quarter of Czechs over the age of 15 smoke. Where in the Czech Republic is the highest probability of death from smoking-related diseases?] Published 01/06/2022
<https://nasezdravotnictvi.cz/aktualita/az-ctvirtina-cechu-starsich-15-let-kouri-kde-v-cesku-je-nejvyssi-pravdepodobnost-umrti-na-nemoci-spojene-s-kourenim>

¹²Csémy L et al. National research on tobacco and alcohol use in the Czech Republic 2022 [NAUTA]. State Institute of Health, 2023. https://szu.cz/wp-content/uploads/2023/05/NAUTA_2022.pdf

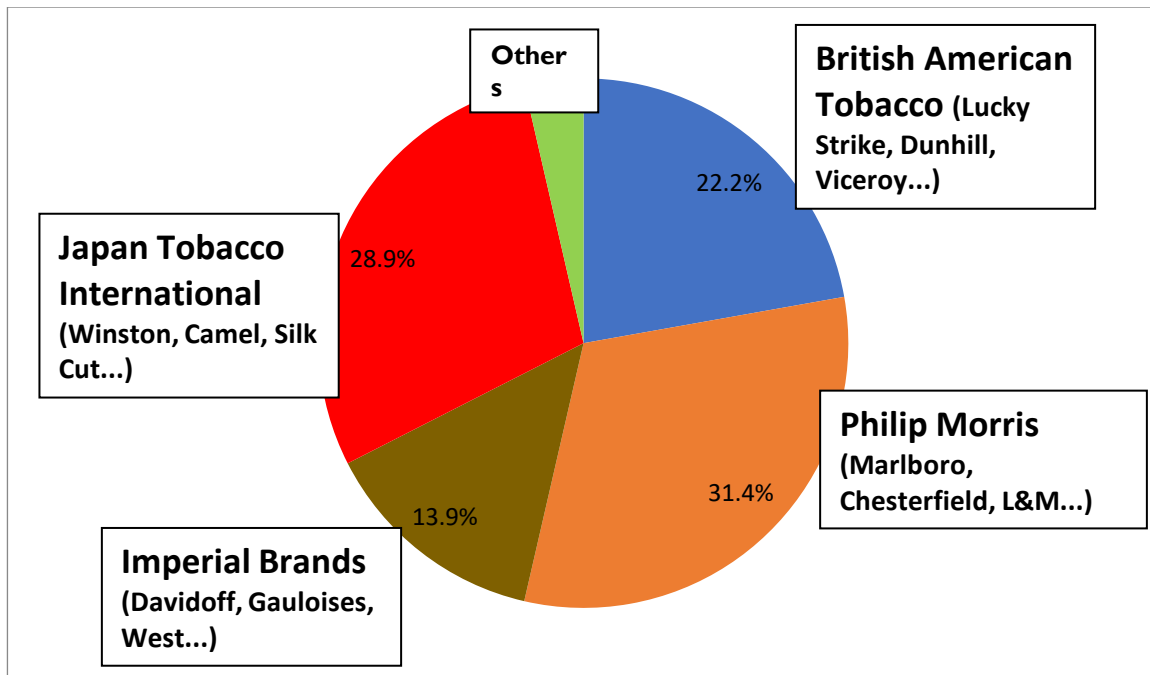
¹³ Czech Statistical Office. [The Czech Republic in numbers since 1989 - updated 9/12/2022. Cigarette consumption per capita in the Czech Republic] <https://www.czso.cz/csu/czso/graf-spotreba-cigaret-na-1-obyvatele-v-ceske-republice>

¹⁴ Philip Morris. [Half-year financial report 2022] https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/vyrocní-zpravy/pololetn%C3%AD-zpr%C3%A1va-2022.pdf?sfvrsn=dfa422b6_4

¹⁵ JTI. [JTI in the Czech Republic]: <https://www.jti.com/cs/europe/czech-republic>

¹⁶ Novinky.cz. [Czech branch of Imperial Tobacco's profit rose by 81 percent, Davidoff cigarettes contributed to this]. 9/Jan/2019: <https://www.novinky.cz/ekonomika/clanek/ceske-pobocce-imperial-tobacco-stoupl-zisk-o-81-procent-prispely-k-tomu-cigarety-davidoff-40267095>

¹⁷ Investice.cz. [British American Tobacco doubled its profit in the Czech Republic]. 16/Nov/2020: <https://www.investice.cz/british-american-tobacco-se-zdvojnasil-zisk-v-cr>



Philip Morris has targeted the Czech Republic to expand its business.¹⁸ Its cigarette sales are declining (17.0 billion in 2020 down to 14.5 billion sticks in 2022) but its heated tobacco products are increasing (1.7 billion units in 2020 to 2.9 billion units in 2022). While total sales of tobacco products declined in 2022, total revenues increased by 11% to CZK 20.9 billion. Compared to 2021, the total combined market for cigarettes and heated tobacco products remained stable in 2022 at 17.4 billion units.¹⁹

Philip Morris ČR is portrayed in the media as one of the most attractive employers in the Czech Republic. It has regularly received the award Top Employer of the Czech Republic and Slovakia (recertification in 2021 for the eighth time) from the international organization Top Employers Institute and several other awards, e.g.:

- Award Top Responsible Company 2021 in the "Reporting" category from the organization Business for Society²⁰
- Award of the TOP 20 most important corporate income tax payers from the Ministry of Finance of the Czech Republic²¹
- The PM production plant in Kutná Hora received two prestigious awards: Certificate of the so-called AWS standard (Alliance for Water Stewardship – a standard for sustainable water management) and carbon neutrality certification, which confirms that the Kutnohorsk factory continues to reduce CO₂ production.²²

¹⁸ <https://philipmorrisinternational.gcs-web.com/static-files/faba05e8-7ce8-47ed-874c-d4152371c5d2>

¹⁹ Philip Morris ČR. Philip Morris ČR a.s. Reports Positive Results in the Face of a Challenging Year. Press release. 28 March 2023 <https://www.pmi.com/markets/czech-republic/en/news>

²⁰ Philip Morris Czech Republic a.s. and Philip Morris Slovakia s.r.o. [Sustainability and responsible business.2021] https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/sustainability-report/2021-udr%C5%BEitelnost-a-odpov%C4%9Bdn%C3%A9-podnik%C3%A1n%C3%AD.pdf?sfvrsn=e02644b6_4

²¹ Philip Morris Czech Republic a.s. and Philip Morris Slovakia s.r.o. [Sustainability and responsible business.2021] https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/sustainability-report/2021-udr%C5%BEitelnost-a-odpov%C4%9Bdn%C3%A9-podnik%C3%A1n%C3%AD.pdf?sfvrsn=e02644b6_4

²² Philip Morris. [Half-year financial report 2022]

https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/vyrocni-zpravy/pololetn%C3%AD-zpr%C3%A1va-2022.pdf?sfvrsn=dfa422b6_4

- The Water Supply and Sewerage Association of the Czech Republic (SOVAK ČR) is a voluntary, non-profit organization in the field of water management and sewerage for the public sector.²³

The tobacco industry remains to be a strong and stable business, recognized and awarded by the Ministry of Finance for their so-called philanthropic activities during the pandemic. Following the COVID-19 pandemic, Philip Morris ČR claimed it “did not interrupt production for a moment and did not encounter any problems during it” and was able to provide financial and in-kind contribution to more than 16 million CZK within the Czech Republic.²⁴

Philip Morris ČR also reported that it is “preparing a long-term plan for the recovery of the Czech economy in the Confederation of Industry and Transport.”²⁵ PMI claimed to contribute at least 12 billion CZK to the economy in 2021, but this amount was significantly lower than the cost of the health risks and economic costs of tobacco smoking to society which are several times higher.

To portray a positive public image and win political mileage with senior government policy makers, Philip Morris ČR engaged in CSR activities. In 2021, Philip Morris ČR reported supporting to 58 organizations and spent 13 034 355 CZK in CR (\$543,098).²⁶

Philip Morris ČR a.s. continued with a project called Youth Access Prevention – YAP, an outdated industry program that aims to prevent youth’s access to tobacco and nicotine products at sale points. Philip Morris Slovakia s.r.o. continued in 2021 to support the YAP program with "Age Matters" program, which was first introduced in 1998. Although this industry-sponsored retailers’ program to prevent youth access to tobacco products has shown to be ineffective, Philip Morris is still conducting it in the Czech Republic to buy public goodwill.

According to England Public Health, e-cigarettes have the potential to help smokers quit and are 95% less harmful than normal cigarettes.²⁷ There is a targeted campaign by PM to discredit the 95% number: what is written there is most certainly not true for heated tobacco. PM is trying to create the impression that EC is the same as heated tobacco and also to fight against the competition of electronic cigarettes. Even PM already has EC under the IQOS brand.^{28,29}

²³Vodareství.cz. [Responsible water steward certificate for Philip Morris]. Published 25/4/2022
<https://www.vodarenstvi.cz/?s=philip+morris>

²⁴Viliam Buchert. The crisis has tested us but strengthened us in some ways, says Philip Morris boss. E15.cz. May 19, 2020.
<https://www.e15.cz/rozhovory/krize-nas-proverila-ale-v-necem-i-posilila-rika-sefka-philip-morris-1369817>

²⁵<https://www.e15.cz/rozhovory/krize-nas-proverila-ale-v-necem-i-posilila-rika-sefka-philip-morris-1369817>

²⁶Philip Morris Czech Republic a.s. and Philip Morris Slovakia s.r.o. [Sustainability and responsible business.2021]
https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/sustainability-report/2021-udr%C5%BElnost-a-odpov%C4%9Bdn%C3%A9-podnik%C3%A1n%C3%AD.pdf?sfvrsn=e02644b6_4

²⁷McNeill A, Brose LS, Calder R, Hitchman SC, Hajek P, McRobbie H. E-cigarettes: an evidence update. A report commissioned by Public Health England. Crown Copyright, 2015. 111 p.
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/733022/E-cigarettes_an_evidence_update_A_report_commissioned_by_Public_Health_England_FINAL.pdf

²⁸Czech press office. [Doctor: Heated tobacco cannot be compared with e-cigarettes, it is more risky.] Published 12/06/2023

<https://www.ceskenoviny.cz/zpravy/2377630>

²⁹IQOS.com. [Is tobacco heating IQOS an electronic cigarette?] <https://www.iqos.com/cz/cs/novinky/je-iqos-vape-ecigareta.html>

This is Czech Republic's third report in the series on Tobacco Industry Interference Index. Czech Republic scored 66/100 points, compared to 61 points in 2021, indicating deterioration in implementing transparency and preventive measures to protect public health policies from tobacco industry interference. While the exact manner of tobacco industry participation in policy development is not clear, there are various ways in which the industry could meddle especially in the proposed Act on lobbying is expected to come into effect in 2025. Moreover, Philip Morris ČR has relatively high CSR activities and the head of the organization is a member of the Confederation of Industry and Trade of the Czech Republic which is one of the most influential domestic business organizations in the country. As such, the national action plan must contain important points for an endgame plan, progressive tobacco taxes, plan for implementing of plain packaging as well as ban on point-of-sale advertisement or sale of tobacco products.

This report is based on a questionnaire developed by the Southeast Asia Tobacco Control Alliance. There are 20 questions based on the Article 5.3 guidelines. Information used in this report is obtained from the public domain only. A scoring system is applied to make the assessment. The score ranges from 0 - 5, where 5 indicates highest level of industry interference, and 1 is low or no interference. Hence the lower the score, the better for the country. The 0 score indicates absence of evidence or not applicable. The report includes information on incidents from April 2021 to March 2023, but also includes incidents prior to 2021 that still have relevance today.

Summary Findings

I INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

In April 2023, the government of the approved the National Addiction Policy Action Plan for 2023-2025. This plan focuses on the use of licit and illicit substances, gambling and other forms of addictive behavior.³⁰ The National Plan cites key points of the WHO MPOWER but without concrete aims like conceptual plan on taxes, adoption of plain packaging in future, ban on point-of-sale advertisement or sale of tobacco products only in licensed shops. The Czech Republic also has no plan for Endgame, i.e. Smoke-free CR to some date.³¹

There are signs of communication between the Ministry of Finance and the tobacco industry in raising taxes. The Ministry of Finance, as well as the Ministry of Industry and Trade and the Ministry of Agriculture do not want to disrupt the business of the tobacco industry. They do not want to introduce tobacco control policies that could have an impact on the business outputs of tobacco companies (plain packaging, ban on advertising at the point of sale, sales in licensed stores, increasing the affordability of cigarettes).

2 INDUSTRY CSR ACTIVITIES

³⁰National Monitoring Centre for Drugs and Addiction. Addiction Policy Action Plan for 2023-2025 approved. Published 1/04/2023. <https://www.drogy-info.cz/en/article/media-centre/addiction-policy-action-plan-for-2023-2025-approved/>

³¹Secretariat of the Government Council for Drug Policy Coordination.

National Strategy to Prevent and Reduce the Harm Associated with Addictive Behaviour 2019-2027. Prague, May 2020 https://www.vlada.cz/assets/ppov/protidrogova-politika/National_strategy_2019_2027_fin_rev3.pdf

No documented government support of CSR activities was noted in the report period. Ministries are not obliged to publish their meetings or interactions with tobacco industry.

3 BENEFITS TO THE INDUSTRY

Heated tobacco is only about a quarter of the excise tax, compared to how much people pay in the price of a pack of cigarettes. Also, the excise tax on fine-cut tobacco is lower compared to cigarettes. The tax is calculated differently according to the weight of the tobacco.

4 UNNECESSARY INTERACTION

Top level government officials meet with and foster relations with the tobacco companies such as attending social action. A representative of the tobacco company is a member of Board of Directors of the Confederation of Industry and Transport of the Czech Republic.

In 2021, the Ministry of Finance recognized the twenty most important taxpayers in the country, including the tobacco industry.

5 TRANSPARENCY

A clear procedure needs to be established for publishing meetings/interactions with information that government officials may have with the tobacco industry.

6 CONFLICT OF INTEREST

There is no record of newly retired senior government officials joining the tobacco industry upon their retirement in the report period. However previous examples show that there were at least four documented cases when former government officials form part of the tobacco industry after leaving position in the government.

7 PREVENTIVE MEASURES

Tobacco control is a multisectoral issue, thus not only Ministry of Health but also other relevant Ministries such as Ministry of Finance, Ministry of Agriculture and Ministry of Industry and Trade are involved in this field. However, their commitments for highlighting public health policies among other priorities such as commercial aspects differ. The ministries do not currently view the adoption of preventive measures in Article 5.3 as important and even reject the discussion on the possible introduction of individual tobacco control policies in the future.

Recommendations

- I. The government as well as ministries 'officials should disclose all records of interaction with the TI as well as publish all contacts with TI on its website; At the very

least, this should apply to members of Interdepartmental working group on the issue of comprehensive protection against tobacco damage (MPS KOTA).

2. The Ministry of health should show leadership in implementing Art 5.3 by having a procedure to disclosing any interaction with the industry and making public its interactions.
3. All incentives given to the industry should be disclosed.

Czech Society for Tobacco Dependence Treatment has prepared the following recommendations to reduce smoking prevalence and prevent tobacco industry interference in the country:³²

1. Systematically increase taxes on tobacco products – not just percentage, but minimum piece rate, in line with inflation and in proportion to the average wage. Use of this income to pay for tobacco dependence treatment, control of legal trade or disposal of tobacco product waste.
2. Increase spending on affordable tobacco dependence treatment – staffing and reimbursement for medication for tobacco dependence treatment.
3. Change the conditions for the sale of tobacco products: only in licensed shops = a limited number of tobacconists, not in supermarkets or elsewhere together with food. No advertising or visible display of boxes either in store/point of sale.
4. Educate and inform the public in terms such as heated tobacco, snus, nicotine pouches, indicating the real health risk and the risk of addiction, emphasizing the lower level of risk of products without tobacco - e.g. electronic cigarettes (as opposed to heated tobacco), and only from the list registered brands that meet the given legislative conditions.
5. Introduce plain cigarette packaging: a box with a brown-green background, a pictorial health warning dominates, the brand name in the same font, size and color, without an unregulated surface - thus the connection with the brand image is lost.
6. Ensure completely non-smoking public spaces, including a ban on the use of heated tobacco products.
7. Invest in media campaigns to inform about the adequate health risk and the risk of addiction as well as the possibilities of support for withdrawal and treatment)
8. Target excluded and low-socio economic status communities – to monitor local conditions and offer acceptable treatment and cessation supports
9. Control illegal trade (paid for by taxes on tobacco products)
10. Support research in the areas mentioned above for the description and evaluation of specific conditions in the Czech Republic

³²Společnost pro léčbu závislosti na tabáku (SLZT). [Czech Society for Tobacco Dependence Treatment. SLZT declaration for tobacco control]. Published 23/05/2023.
<https://www.slzt.cz/aktuality/prohlaseni-slzt-ke-kontrolle-tabaku-12704>

Czech Republic

Tobacco Industry Interference Index 2023

Results and Findings

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INDICATOR I: Level of Industry Participation in Policy-Development						
I. The government ³³ accepts, supports or endorses any offer for assistance by or in collaboration with the tobacco industry or any entity or person working to further its interests. ³⁴ in setting or implementing public health policies in relation to tobacco control ³⁵ (Rec 3.4)					4	
<p>According to Jindrich Voboril, the National Anti-Drug Coordinator, the goal of the government is to regulate addictive substances according to the degree of their harmfulness:</p> <p><i>“Nevertheless, I certainly propose that, in the event that we proceed with tax adjustments, excise taxes on nicotine pouches or heated tobacco should be significantly lower than on cigarettes, as their health impact is markedly smaller,”.</i> Among the harm reduction products, HTP is also named, without any mention of the difference in the risk of individual products.³⁶</p>						

³³ The term “government” refers to any public official whether or not acting within the scope of authority as long as cloaked with such authority or holding out to another as having such authority

³⁴ The term, “tobacco industry” includes those representing its interests or working to further its interests, including the State-owned tobacco industry.

³⁵ “Offer of assistance” may include draft legislation, technical input, recommendations, oversees study tour

³⁶ Zdravotnický deník. The action plan of the anti-drug policy sets out to reduce the impact of risky behaviour. The new set of excise taxes should support it. 9/2/2023.

<https://www.zdravotnickydenik.cz/2023/02/akcni-plan-protidrogove-politiky-se-vydava-cestou-snizovani-dopadu-rizikoveho-chovani-nove-nastaveni-spotrebnych-dani-by-ji-melo-podporit/>

In January 2020, the government of the Czech Republic approved the national action plan for the prevention and reduction of harm associated with addictive behavior 2019-2021. It includes key points of WHO's MPOWER,³⁷ however often in general formulation only like "plain packaging - potential discussion will be considered in future" or "taxation - regular increasing" but without any concrete vision. Although there is a gradual increase in taxes every year, there is a need to increase them substantially and suddenly to not being eroded by inflation.³⁸ Hence these measures have been delayed. It is important to emphasize that the main tobacco control policies like taxes, packaging of tobacco products and ban on advertising for tobacco products at the point of sale are under the supervision of the Ministry of Finance, Agriculture and Minister of Industry and Trade - government bodies which do not publish potential contacts with tobacco industry (TI) although representatives of ministries admit that they are contacted by TI mainly before discussing some tobacco control policy in the Parliament or the Senate.

Interdepartmental working group on the issue of comprehensive protection against tobacco damage (MPS KOTA) met regularly until 2021 when the last meeting was performed. No TI representatives are involved in this working group.³⁹

The National Strategy to Prevent and Reduce the Harm Associated with Addictive Behaviour 2019-2027, like its previous edition, covers all drugs, legal and illegal.⁴⁰

The Ministry of Agriculture, which is responsible for the decree on the packaging of tobacco products, rejected plain packaging, stating that it will wait until 2021 for a statement from the European Commission to discuss a possible introduction. The Ministry of Agriculture does not reflect the submission of evidence, an open letter from the NGO Smoke Free Partnership addressed to the Minister of Agriculture and its answer are available at the SFP's websites:⁴¹

"The approach of the Ministry of Agriculture and possible further discussions with stakeholders on the issue of the introduction of a plain packaging will continue to depend on the results of the above-mentioned evaluations and possible amendments to the Directive, which we would be required to transpose into the Czech legal order."

There was no action taken, despite what was stated previously.

Contrary to the requirements of Article 13 of the WHO FCTC to put in place a comprehensive ban on all forms of tobacco advertising, the Czech Ministry of Industry and Trade, which is responsible for regulating tobacco advertising, considers the introduction of a ban on advertising for tobacco products at the point of sale to be inappropriate: "Tobacco products are currently a legal commodity in the Czech Republic. Provided that a

³⁷ World Health Organization. MPOWER: https://www.who.int/tobacco/mpower/mpower_english.pdf

³⁸ Zvolská K, Ross H, Králíková E. Smoking prevention that increases tax revenue: tobacco taxes in the Czech Republic 2004-2020. *Cent Eur J Public Health*. 2023 Jun;31(2):83-89. doi: 10.21101/cejph.a7507.

³⁹Ministry of Health Czech Republic. Portal of advisory bodies, working groups and expert commissions of the Ministry of Health. <https://ppo.mzcr.cz/workGroup/55>

⁴⁰Secretariat of the Government Council for Drug Policy Coordination.

National Strategy to Prevent and Reduce the Harm Associated with Addictive Behaviour 2019-2027. Prague, May 2020 https://www.vlada.cz/assets/ppov/protidrogova-politika/National_strategy_2019_2027_fin_rev3.pdf

⁴¹ Smoke Free Partnership. SFP Coalition partners express concern on plain packaging in the Czech Republic. Published 22/08/2019

SFP Coalition partners express concern on plain packaging in the Czech Republic - SmokeFree Partnership

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product is legally manufactured, distributed and sold, entrepreneurs cannot be prevented from providing information and promoting this product. However, the possibility of introducing a ban on advertising for tobacco products at the point of sale was discussed with the Minister of Industry and Trade and with regard to the rights of manufacturers and sellers of tobacco products this option is considered inappropriate.” ⁴²						
2. The government accepts, supports or endorses <u>policies or legislation drafted</u> by or in collaboration with the tobacco industry. (Rec 3.4)				3		
<p>The bill for protection against harmful effects of addictive substances (including tobacco smoke) allow to smoke water pipe: <i>“...An exception for the use of hookahs arose from voting in the Chamber of Deputies of the Parliament of the Czech Republic. According to the parliamentary proposal, smoking hookahs is common in teahouses, which are already inextricably linked with their own,” said the Ministry of Health... According to the State Agricultural and Food Inspection Authority, a blanket ban on smoking could have "liquidating effects on teahouses, because the supply of hookah belongs to their characteristic features and forms a substantial part of sales," as Pavel Kopřiva, a spokesman for the iROZHLAS.cz server, wrote...”⁴³</i></p> <p>The Czech Ministry of Industry and Trade: Tobacco products are currently a legal commodity in the Czech Republic. Provided that a product is legally manufactured, distributed and sold, entrepreneurs cannot be prevented from providing information and promoting this product. However, the possibility of introducing a ban on advertising for tobacco products at the point of sale was discussed with the Minister of Industry and Trade and with regard to the rights of manufacturers and sellers of tobacco products this option is considered inappropriate.”⁴⁴ This explanation is the same explanation as that used by tobacco industry uses to oppose regulation of tobacco. This was the last statement from the ministry.</p> <p>The final report of the RIA⁴⁵ on the bill on health protection against the harmful effects of tobacco, alcohol and other addictive substances included: Impacts on the state budget and other public budgets: YES</p> <p>Costs - the impact on the collection of excise tax due to the reduction of smoking in restaurants, resulting in an estimated 5% reduction in the consumption of tobacco</p>						

⁴² [Annex - summary final evaluation of the implementation of the Action Plan for Tobacco Control in the Czech Republic for the period 2015 to 2018 - information on the implementation of individual activities (status of implementation as of 12/2018)]: <https://ppo.mzcr.cz/upload/files/mps-kota-2019-vysledne-zaverecne-hodnoceni-akcniho-planu-v-oblasti-kontroly-tabaku-v-cr-2015-2018-priloha-k-zaverecnemu-hodnoceni-akcniho-planu-v-oblasti-kontroly-tabaku-2015-2018-5f16dfb99c438.pdf>

⁴³ iRozhlas. [Cigarettes are smoked again in pubs thanks to water pipes. However, the exception does not apply to them].6/Feb/2018: https://www.irozhlas.cz/zpravy-domov/hospody-vodni-dymka-na-cigarety-zakaz-koureni_1802061100_pi

⁴⁴ [Annex - summary final evaluation of the implementation of the Action Plan for Tobacco Control in the Czech Republic for the period 2015 to 2018 - information on the implementation of individual activities (status of implementation as of 12/2018)]: <https://ppo.mzcr.cz/upload/files/mps-kota-2019-vysledne-zaverecne-hodnoceni-akcniho-planu-v-oblasti-kontroly-tabaku-v-cr-2015-2018-priloha-k-zaverecnemu-hodnoceni-akcniho-planu-v-oblasti-kontroly-tabaku-2015-2018-5f16dfb99c438.pdf>

⁴⁵ Government of the Czech Republic. [RIA Final Report to the bill on health protection against the harmful effects of tobacco, alcohol and other addictive substances]: <https://www.vlada.cz/assets/ppov/lrv/ria/databaze/ZZ-RIA-k-navrhu-zakona-o-ochrane-pred-navykovymi-latkami.pdf>

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<p>products, could result in a state budget revenue of approximately 2.1 billion CZK (qualified estimate). Impact on business entities: YES</p> <p>Negative impacts can be expected on some businesses in the production, distribution and sale of tobacco products, electronic cigarettes, alcoholic beverages, etc., especially in connection with restricting the sale of these products and tightening the conditions related to the sale of related products. Reducing the consumption of tobacco products and alcoholic beverages can lead to a loss of profits in this industry. On the other hand, profits in other industries can be expected to increase.* *Tobacco industry and the sale of tobacco products in the Czech Republic are still considered to be a normal commodity and a normal industry that should not be damaged.</p> <p>Ministry of Health, Vlastimil Válek, said on the occasion of World No Tobacco Day 5/31/2023: "In nicotine pouches, nicotine enters the body in a much larger quantity, so the concentration of nicotine will probably be much higher than for smokers of standard cigarettes," added the minister. According to him, cardiologists warn that this leads to a high risk of vessel occlusion. "Switching to alternatives is not quitting smoking," added Zsofia Pusztaiová, head of the Czech office of the World Health Organization (WHO) in the Czech Republic.⁴⁶</p>						
<p>3. The government allows/invites the tobacco industry to sit in government interagency/ multi-sectoral committee/ advisory group body that sets public health policy. (Rec 4.8) I Never 5 Yes</p>		I				
The government does not allow the tobacco industry to sit in government interagency committee that sets public health policy						
<p>4. The government nominates or allows representatives from the tobacco industry (including State-owned) in the delegation to the COP or other subsidiary bodies or accepts their sponsorship for delegates. (i.e. COP 4 & 5, INB 4 5, WG)⁴⁷ (Rec 4.9 & 8.3) For non-COP year, follow the previous score of COP year. For non-Parties, apply a score of '0'</p>		I				
The government does not have any representative of the tobacco industry in the delegation to the COP or any of its related meetings. ⁴⁸						
INDICATOR 2: Industry CSR activities						
<p>5. A. Government agencies or their officials endorse, support, form partnerships with or participates in activities of the tobacco industry described as "socially responsible" or "sustainable". For example, environmental programs. (Rec 6.2)</p>					4	

⁴⁶Blesk.cz. [Válek: Smoking e-cigarettes among young Czechs is a huge problem. He praise the cancellation of the exemption for donated wines]. Published on 30/5/2023.

<https://www.blesk.cz/clanek/zpravy-politika/744618/valek-koureni-e-cigaret-u-mladych-cechu-je-obri-problem-u-darovanych-vin-si-chvali-ruseni-vyjimky.html>

⁴⁷ Please annex a list since 2009 so that the respondent can quantify the frequency, <http://www.who.int/fctc/cop/en/>

⁴⁸ WHO FCTC. List of Participants CoP9. Available at https://www.who.int/fctc/cop/sessions/cop8/LOP_Final.pdf?ua=1. Accessed last 10 July 2023

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<p>B. The government (its agencies and officials) receives CSR contributions⁴⁹ (monetary or otherwise, including CSR contributions) from the tobacco industry or those working to further its interests during the pandemic. (Rec 6.4) <i>NOTE: exclude enforcement activities as this is covered in another question</i></p>						
<p>Since 2019, Philip Morris ČR a.s. became a signatory to the Diversity Charter, a project of the European Commission, the aim of which is to support and introduce diversity, flexibility and inclusion on the labor market in EU countries.⁵⁰</p> <p>In 2023, Imperial Brands joined the signatories of the Diversity Charter at the 2023 European Diversity Day International Conference, held under the auspices of Markéta Pekarová Adamová, Speaker of the Chamber of Deputies of the Parliament of the Czech Republic.⁵¹</p> <p>Long-term funding in the field of education: The Sun for Everyone Endowment Fund or Endowment Fund of Livia and Václav Klaus.⁵² Václav Klaus was president of the CR from 2003 to 2013, who opened a new part of the Philip Morris plant in 2010.⁵³</p> <p>Support of St. Joseph's Home in Žirč, the only in-patient facility in the Czech Republic, caring for people with multiple sclerosis. It is one of the centers of the non-state non-profit organization, Regional Charity Červený Kostelec, registered in the register of church legal entities at the Ministry of Culture.⁵⁴</p> <p>The Charty 77 Foundation is an important long-term partner for PM. In context of COVID-19 pandemic, Philip Morris ČR a.s. provided six hospitals throughout the Czech Republic with financial assistance in the total amount of 4.6 million CZK in 2021. Its contributions have been identified as indicated below:</p> <ul style="list-style-type: none"> • procurement of lung ventilators and personal protection equipment (surgical masks, respirators, disposable gloves, disinfection etc.). • ozone generators for ambulances of the Medical Rescue Service of the Central Bohemian Region. • donated CZK 200,000 to the Kutná Hora Hospital, as part of the Kolín Regional Hospital, a.s., • a hospital in the Central Bohemian Region, for the purchase of personal protective equipment. In addition, 						

⁴⁹ political, social financial, educations, community, technical expertise or training to counter smuggling or any other forms of contributions

⁵⁰ Czech Diversity Charter. Signatories to the Diversity Charter. <https://diverzita.cz/en/signatari-charty-diverzity>

⁵¹ Imperial Brands CR. [Imperial Brands CR has joined the European Diversity Charter]. Published 01/06/2023. <https://www.imperialbrands.cz/novinky/imperial-brands-cr-se-pripojil-k-evropske-charte-d/>

⁵² The Sun for Everyone Endowment Fund or Endowment Fund of Livia and Václav Klaus. Annual Report 2022. <http://nadacnifondklausovych.cz/wp-content/uploads/2023/06/Vyrocní-zpráva-2022.pdf>

⁵³ Denik.cz. [Non-smoker Klaus opened a new part of the Philip Morris plant]. Published 29/09/2010 https://www.denik.cz/z_domova/nekurak-klaus-otevrel-novou-20100929.html

<http://nadacnifondklausovych.cz/wp-content/uploads/2023/06/Vyrocní-zpráva-2022.pdf>

⁵⁴[Home of St. Joseph. They support us.]. <https://www.domovsatehojosefa.cz/podporuji-nas-firmy-a-nadace>

- funding to Czech Association of Nurses for the recovery activities of nurses and other non-medical hospital staff involved in the care of patients with COVID-19 disease.”⁵⁵

Three Prague hospitals (one of them is state) received a donation of over 7 million CZK to fight coronavirus. The extraordinary fund was managed by the Charter 77 Foundation - Barriers Account.⁵⁶

In the first half of 2022, Philip Morris ČR reported that 5.6 million CZK were allocated to the program of aid to refugees from Ukraine for the education of Ukrainian children, financial aid to schools and school facilities. In 2022, Philip Morris donated 1 million CZK to restore the urban forest in Hodonín, which was destroyed by a tornado in June 2021.⁵⁷

Key topics of Philip Morris in the public space: Comprehensive media coverage and an extensive network of direct relations with media of all types throughout the Czech Republic (general / lifestyle / business)

- Ongoing media support for the launch of new products and all relevant company news
- Support of the Philip Morris ČR 30 gala to celebrate the anniversary of 30 years of activity on the Czech market, which took place on November 3, 2023 in Prague and was attended by over 70 key partners⁵⁸

INDICATOR 3: Benefits to the Tobacco Industry

6. The government accommodates requests from the tobacco industry for a longer time frame for implementation or postponement of tobacco control law. (e.g. 180 days is common for PHW, Tax increase can be implemented within 1 month) (Rec 7.1)							5
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In the official report to the COP, the government reported that the Ministry of Health promoted Article 5.3 during consultations on the preparation of the draft act on lobbying. The government approved draft rules in February 2018 but the final draft act was submitted only at the end of 2018.⁵⁹ This Act on lobbying from the Ministry of Justice was supposed to enter into force on 1 January 2021 but after Legislative Council hearing in

⁵⁵ Philip Morris ČR. Mid-year report 2020.

https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/vyrocnizpravy/pololetn%C3%AD-zpr%C3%A1va-2020.pdf?sfvrsn=69e4ffb4_8

⁵⁶ Prague daily. 8/Apr/2020. [Three Prague hospitals will receive a donation of over seven million to fight coronavirus]. https://prazsky.denik.cz/zpravy_region/prazske-nemocnice-darem-koronavirus-20200408.html

⁵⁷ Philip Morris. [Half-year financial report 2022]

https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/vyrocnizpravy/pololetn%C3%AD-zpr%C3%A1va-2022.pdf?sfvrsn=dfa422b6_4

⁵⁸ Gontkovičová A. Philip Morris ČR a.s. [Regular general meeting of shareholders]. Kutná Hora, 28/04/2023.

https://www.pmi.com/resources/docs/default-source/czech-market/investors-relation/annual-meeting-2023/2023-%C5%99%C3%A1dn%C3%A1-valn%C3%A1-hromada-akcion%C3%A1%C5%99%C5%AF-philip-morris-%C4%8Dr-a-s-28-4-2023.pdf?sfvrsn=3c278ab6_2C4%8Dr-a-s-28-4-2023-1.pdf

⁵⁹ 2018 - Core questionnaire of the reporting instrument of WHO FCTC: https://untobaccocontrol.org/impldb/wp-content/uploads/Czech_Republic_2018_report-1.pdf

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<p>May 2023, the current regulation is expected to come into effect in 2025.⁶⁰ The Act is a general law on lobbying and not specifically on Article 5.3.⁶² The planned entry date of the law on lobbying, conflict of interest was on 1 January 2021, but the law has long overdue and even after 2 years it is uncertain whether it will be approved by the election.^{63 64}</p> <p>Tax on heated tobacco is only about a quarter of the excise tax, compared to what people pay in the price of a pack of cigarettes. The tax for heated tobacco is calculated differently – according to the weight of the tobacco.⁶⁵</p> <p>Flavored cigarettes including vanilla, blueberry and other varieties deemed to appeal to young demographics had been banned under EU regulations from 2018. Menthol cigarettes also fell under this ban, but were given a two-year exemption.⁶⁶</p> <p>The Ministry of Finance wants to gradually raise the tax on tobacco by a quarter. However, the tax on heated tobacco should continue to grow more slowly. In addition, the rate of excise duty on tobacco alternatives is low, and therefore its increase will not increase the final price that much.⁶⁷</p> <p>Tobacco promotion is still allowed, including contests. BAT's electronic cigarettes are promoted online and sold via a special system for retailers.⁶⁸</p>						
7. The government gives privileges, incentives, tax exemptions or benefits to the tobacco industry (Rec 7.3)						5
<p>Ministry of Finance and Tobacco industry: December/2019: "Cigarettes and tobacco should increase in price in the coming years, excise duty will rise": "...The Ministry of Finance plans to increase the excise tax on tobacco and cigarettes in the years 2021 to 2023. The Ministry of Finance announced it. According to it, the growth of rates will correspond to the expected growth in the volume of wages and salaries in the economy. According to the November forecast of the ministry, they should grow by 5.2 percent in 2021 and by 4.7 percent in 2022.... "This</p>						

⁶⁰Echo24.cz. [Government regulation of lobbying: MPs will report meetings, a register of lobbyists is created]. Published 9/12/2022.

<https://echo24.cz/a/|Rd7z/zpravy-domaci-zakon-o-lobbingu-vliv-politika-lobbisticke-skupiny-registr-databaze-ministr-blazek-pirati-michalek>

⁶¹iDnes.cz. [The lobbying law is flawed. Numerous exceptions will make it easy to bypass]. Published 30/05/2023

https://www.idnes.cz/zpravy/domaci/zakon-lobbing-pravidla-vyjimka-ministerstvo-spravedlnosti.A230529_195309_domaci_kori

⁶² EUR-Lex Access to European Union law: https://www.ecb.europa.eu/ecb/legal/pdf/cz_25_2019-osz-kor_1.pdf

⁶³ EUR-Lex Access to European Union law: https://www.ecb.europa.eu/ecb/legal/pdf/cz_25_2019-osz-kor_1.pdf

⁶⁴ Aktuálně.cz. 13/May/2021 [Political movement ANO and Pirates are in a hurry with the Lobbying Act. It could also apply to the president's advisers]. <https://zpravy.aktualne.cz/domaci/zakon-o-lobbovani/r~b9a6c59cb32911ebbfd0cc47ab5f122/>

⁶⁵ iDnes.cz. 14/Sep/2020. [Cigarettes and tobacco will become more expensive. The ministry needs more money from excise].

https://www.idnes.cz/ekonomika/domaci/cigarety-tabak-spotrebni-dan-ceny-zdrazeni-kuraci-ministerstvo-financi-rozpocet.A200913_201450_ekonomika_wass

⁶⁶ Expats.cz. Czech Republic raises cigarette prices by more than 10 crowns per pack, bans menthols. 2/Mar/2020:

<https://news.expats.cz/weekly-czech-news/czech-republic-raises-cigarette-prices-by-more-than-10-crowns-per-pack-bans-menthols/>

⁶⁷ Lidovky.cz. [Less damaging, less expensive. The state will favor smokers of heated tobacco compared to fans of classic cigarettes]. Published 23/05/2023

https://www.lidovky.cz/domov/zahrivany-tabak-spotrebni-dan-iqos-glo-pulze-dph.A230523_152120_In_domov_hud

⁶⁸ BAT partners terms and conditions: <https://myglo.cz/assets/podminky-programu-glo-partners-2019.pdf&prev=search>

plan represents the certainty and predictability that the tobacco industry has called for. The plan is proposed for three years and, as with the current proposal for 2020, it will not increase affordability,” said the Ministry of Finance. ... The Ministry of Finance has already presented the plan for the years 2021 to 2023 to representatives of the tobacco industry. The statement of tobacco companies shows that the Ministry of Finance should be reluctant to set new rates in the coming years due to the jump in the tax next year. Otherwise, according to them, there is a risk of an increase in the black market. They generally welcome the long-term plan to increase excise duty....”⁶⁹

May/2020: Philip Morris will produce menthol cigarettes in Kutná Hora even after the sale ban, they will be for export.⁷⁰

25.5.2020 “According to economists, the government could give more money to the economy.



The state is not a money machine, Havlíček opposes” About how to do business in the Czech Republic discussed (from left): Czech Fund Chief Economist Lukáš Kovanda, Deputy Prime Minister, Minister of Industry and Trade and Minister of Transport Karel Havlíček, British American Tobacco CEO for the Czech Republic and Slovakia Štěpán Michlíček and owner of C2H, Pietro Filipi and Kara, Michal Mička. In the middle, moderator Jana Niedermeierová. Štěpán Michlíček from BAT also agreed with the conclusions of the research, with one reservation: “It is also important for us that the business environment in the Czech Republic is more predictable, especially in the area of excise duty. We would welcome a greater balance of excise duty between individual categories of goods.”⁷¹

⁶⁹ iDnes. [Cigarettes and tobacco should become more expensive in the coming years, excise duty will be raised]. 13/Dec/2019: https://www.idnes.cz/ekonomika/domaci/cigarety-tabak-zdrazeni-spotrebni-dan.A191213_111923_ekonomika_cern

⁷⁰ Fio bank. [Philip Morris will produce menthol cigarettes in Kutná Hora even after the sale ban, they will go for export]. 14/May/2020: <https://www.fio.cz/zpravodajstvi/zpravy-z-burzy/239000-philip-morris-bude-v-kutne-hore-vyrabet-mentolove-cigarety-i-po-zakazu-prodeje-pujdou-na-export>

⁷¹ Hospodářské noviny. [According to economists, the government could give more money to the economy. The state is not a money machine, Havlíček opposes]. 25/May/2020: <https://archiv.ihned.cz/c1-66768180-stat-by-mohl-pumpovat-do-ekonomiky-vyrazne-vice-penez>

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The government allows international travellers to bring duty-free 800 cigarettes, 400 cigarillos (max. 3 grams each), 200 cigars and 1 kilogram of smoking tobacco into the country. ⁷²						

INDICATOR 4: Forms of Unnecessary Interaction

8. Top level government officials (such as President/ Prime Minister or Minister ⁷³) meet with/ foster relations with the tobacco companies such as attending social functions and other events sponsored or organized by the tobacco companies or those furthering its interests. (Rec 2.1)			3			
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‘TOP Responsible Company 2020’ award: This award is described as “most prestigious award in the field of sustainable business and responsible behaviour of companies.” It is under the patronage of the Chamber of Deputies of the Parliament of the Czech Republic, Confederation of Industry and Transport.⁷⁴

Philip Morris ČR a.s. is repeatedly awarded by the Ministry of Finance and the General Finance Directorate as one of the twenty most important corporate taxpayers.⁷⁵

May/2020: “Salvation for the region? Production with higher added value”

Governor Jaroslava Pokorná Jermanová, her Deputy with competition for finance area and European Funds area Gabriel Kovács (both ANO) and the Director of the Central Bohemian Innovation Center met to discuss with members of employers’ unions on how to support business in the region affected by the coronavirus crisis and contribute to its recovery.



The invitation was accepted by Irena Bartoňová Pálková, Vice President of the Czech Chamber of Commerce, Andrea Gontkovičová, Member of the Board of the Confederation of Industry and Trade of the Czech Republic from the tobacco company

⁷² IATA Travel Centre. Czechia Customs, Currency & Airport Tax regulations details.

<https://www.iatatravelcentre.com/CZ-Czechia-customs-currency-airport-tax-regulations-details.htm#Import%20regulations>

⁷³ Includes immediate members of the families of the high-level officials

⁷⁴ Business for Society. 30/Jun/2020 [TOP Responsible company 2020]. 25/May/2020: <https://byznysprospolecnost.cz/top-odpovedna-firma-2020/>

⁷⁵ Financial management. 16/Jun/2021 [Twenty of the TOP most important corporate income tax payers received the award]. <https://www.financnisprava.cz/cs/financni-sprava/media-a-verejnost/tiskove-zpravy/2021/top-20-11522>

Philip Morris, and Jiří Belinger, Vice-Chairman of the Association of Small and Medium-Sized Enterprises and Crafts CZ.⁷⁶

Confederation of Industry and Trade of the Czech Republic, accompanied the Minister of Foreign Affairs, Jan Lipavský, on his official visit to Delhi and Mumbai from Sunday, February 26 2023. Imports from India to the Czech Republic, on the other hand, are dominated by textiles, pharmaceutical products, electronics, metallurgy, chemicals, plastics, engineering, coffee, tea, spices and tobacco.⁷⁷

As a lobbying organization representing the interests of employers in the Czech Republic, the Confederation of Industry and Trade of the Czech Republic (SP CR) engages in active lobbying in the Parliament of the Czech Republic, state and local government bodies. It organizes information campaigns on topics that are important for the development and competitiveness of the economy. SP CR has an irreplaceable role in lobbying at the national level, especially as a representative of the business sector in the Council of Economic and Social Agreement (Tripartite), in which it is a worthy partner to representatives of the government and trade unions. The expert team deals with tax issues from the point of view of the impact on the business sector, processes comments on the proposals being prepared and offers partial or conceptual ideas for improvement.⁷⁸

5/2023: Members of the most influential domestic business organization the Confederation of Industry and Trade of the Czech Republic will elect new leadership. Andrea Gontkovičová, a head of Philip Morris ČR, will seek the post of vice president.⁷⁹

“Experts agree: The public does not know about water problems in the Czech Republic”: With the support of the Ministry of the Environment, a new communication platform Water, the basis of life, is being launched”: Director of External Relations and Communications of JTI is also the chairman of the board of Water Foundation of Life. Under the auspices of the Minister of the Environment, he founded the vodazakladzivota.cz server.⁸⁰

The Mayor of Prague Zdeněk Hřib endorsed the Clothing Bank of JTI. *"I welcome and am very grateful for the Clothing Bank as an initiative created in collaboration with the network of food banks. I should mention that Prague's residents can also receive assistance from a furniture bank, which the city has established during this election period."*⁸¹

⁷⁶ Berounský deník. [Salvation for the region? Production with higher added value]. 28/May/2020:

<https://berounsky.denik.cz/z-regionu/spasa-pro-kraj-vyroba-s-vyssi-pridanou-hodnotou-20200528.html>

⁷⁷ Zakazka.cz. [The Confederation of Industry and Trade of the Czech Republic takes exporters on a business mission to India]. Published 27/2/2023. <https://www.zakazka.cz/sp-cr-bere-exportery-na-podnikatelskou-misi-do-indie/>

⁷⁸ Spcr.cz. Lobby in the Czech Republic and at the international level - Confederation of Industry and Trade.

<https://www.spcr.cz/o-nas/mezinarodni-spoluprace>

⁷⁹ Denik.cz. [The business environment must get in better shape, says an experienced manager]. Published 11/5/2023.

<https://www.denik.cz/pribehy-a-rozhovory/andrea-gontkovicova-svaz-prumyslu-a-dopravy-byznys.html>

⁸⁰ Ministry of the Environment of the Czech Republic. [Experts agree: The public does not know about water problems in the Czech Republic. With the support of the Ministry of the Environment, a new communication platform Water, the basis of life, is being launched]. 18/Mar/2016: https://www.mzp.cz/cz/news_160318_Voda_pracovni_prilezitosti

⁸¹ JTI. New clothing bank for people in needs opens. <https://www.jti.com/news-views/odevni-banka-pro-lidi-v-nouzi-otevrena-story>

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Dozens of domestic companies were heading to India to look for or develop business opportunities. A delegation of exporters led by Milena Jabůrková, vice-president of the Union of Industry and Transport.						
9. The government accepts assistance/ offers of assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors. (including monetary contribution for these activities) (Rec 4.3)	0					
There is no publicly available record showing the government accepting assistance from the tobacco industry on enforcement such as conducting raids on tobacco smuggling or enforcing smoke free policies or no sales to minors.						
10. The government accepts, supports, endorses, or enters into partnerships or non-binding agreements with the tobacco industry or any entity working to further its interests. (Rec 3.1) <i>NOTE: This must <u>not</u> involve CSR, enforcement activity, or tobacco control policy development since these are already covered in the previous questions.</i>			2			
There is no publicly available record of the national government accepting or entering into a partnership or agreements with the tobacco industry.						
However, at the sub-national level, the mayor of Karlovy Vary signed a cooperation agreement with PMI's Czech subsidiary in May 2019 to become "the first spa town in the Czech Republic without smoke." The official City Hall newsletter, "Radniční listy," has promoted the tobacco company's collaboration with the municipality. It also published an article directing smokers to the PMI-registered website unsmokeyourworld.com.						
At the 57 th Karlovy Vary International Film Festival in August, PMI installed an interactive exhibition called World Without Smoke Laboratory, where visitors could learn about cigarette alternatives, including IQOS. The tobacco company was listed in a press release as an official partner. ^{82 83} The 57th Karlovy Vary International Film Festival is also supported by the Ministry of Culture.						
INDICATOR 5: Transparency						
11. The government does not publicly disclose meetings/ interactions with 77+the tobacco industry in cases where such interactions are strictly necessary for regulation. (Rec 2.2)						5

⁸² Organized crime and corruption reporting project. 'Smoke-Free' Cities and Islands — Sponsored by Philip Morris. Published 5/5/2022.

<https://www.occrp.org/en/loosetobacco/blowing-unsmoke/smoke-free-cities-and-islands-sponsored-by-philip-morris>

⁸³ Karlovy Vary International Film Festival. Partners of the 57th KV IFF.

<https://www.kviff.com/en/about-the-festival/partners>

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Currently there is no procedure in place for public disclosure of disclose meetings/ interactions government officials may have with the tobacco industry in cases where such interactions are strictly necessary for regulation.						
I2. The government requires rules for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists (Rec 5.3)						5
Currently there is no procedure or requirement in place for the disclosure or registration of tobacco industry entities, affiliated organizations, and individuals acting on their behalf including lobbyists.						
INDICATOR 6: Conflict of Interest						
I3. The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or to require full disclosure of such contributions. (Rec 4.11) / Never 5 Yes						5
The government does not prohibit contributions from the tobacco industry or any entity working to further its interests to political parties, candidates, or campaigns or disclosure of these contributions.						
I4. Retired senior government officials form part of the tobacco industry (former Prime Minister, Minister, Attorney General) (Rec 4.4)			2			
There is no record of newly retired senior government officials joining the tobacco industry upon their retirement in the report period. However previous examples show that this remains to be a problem. MEP Martin Hlaváček - In 2012, Deputy Minister of Agriculture of the Czech Republic. From 2013 to 2015, he served as a member of the Board of Directors and Director of External Relations at Philip Morris CR. Member of the European Parliament since 2019, non-partisan for the government movement ANO 2019. ⁸⁴ Petr Šebek, a member of Board of Director Philip Morris ČR. He began his career with Philip Morris ČR a.s. in 2011 as a Manager Regulatory and Fiscal Affairs, followed by the positions of Manager Corporate Affairs for Slovakia and Director Communications for the Czech Republic, Slovakia and Hungary. Prior to joining Philip Morris ČR, he held several positions in public sector at the Region of South Bohemia and the European Parliament. ⁸⁵ Jan Procházka - currently External Affairs Manager of Philip Morris International from 2014 until now. From 2003 to 2009, he worked at Ministry of Industry and Trade of the Czech Republic as a Director, Department of Coordination with the European Union.						

⁸⁴ European Parliament, Office in the Czech Republic. Published 05/07/2019.
<https://www.europarl.europa.eu/czechia/cs/va%C5%A1i-poslanci/martin-hlav%C3%A1%C4%8Dek>

⁸⁵ Petr Šebek: <https://www.linkedin.com/in/petrsebek/>

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Then he was a head of Financial and Trade policy Unit and represented the Czech Republic to the European Union from 2009 to 2014. ⁸⁶						
Martin Jareš - currently Manager Fiscal Affairs at Philip Morris International from Mar 2017 until now. From Sep 2015 to Feb 2017, he worked at Ministry of Finance of the Czech Republic as a Head of Corporate Income Tax Unit. From 1998 to 2011, he worked at Ministry of Finance of the Czech Republic, from Jan 2011 to Oct 2012 as Director of Tax Policy and Administration Strategy. ⁸⁷						
15. <u>Current government officials</u> and relatives hold positions in the tobacco business including consultancy positions. (Rec 4.5, 4.8, 4.10)	0					
There is no record of current government officials holding any positions in the tobacco business.						
INDICATOR 7: Preventive Measures						
16. The government has put in place a procedure for disclosing the records of the interaction (such as agenda, attendees, minutes and outcome) with the tobacco industry and its representatives. (Rec 5.1)						5
There is no procedure in place yet to disclose the records of interactions with the tobacco industry and its representatives.						
17. The government has formulated, adopted or implemented a code of conduct for public officials, prescribing the standards with which they should comply in their dealings with the tobacco industry. (Rec 4.2); <i>1 for whole of government code; 2 for Yes but partial if only MOH</i>						5
There is no code of conduct in place to guide officials when dealing with the tobacco industry.						
18. The government requires the tobacco industry to periodically submit information on tobacco production, manufacture, market share, marketing expenditures, revenues and any other activity, including lobbying, philanthropy, political contributions and all other activities. (5.2)				3		
Since April 15, 2019, there is a registration of economic operators involved in Tobacco trade. ⁸⁸						

⁸⁶ Jan Procházka: <https://www.linkedin.com/in/jan-proch%C3%A1zka-23ab371b8/?originalSubdomain=cz>

⁸⁷ Martin Jareš: <https://www.linkedin.com/in/martin-jare%C5%A1-4390873/>

⁸⁸ State Securities Printer: <https://stc.cz/en/?s=tobacco&lang=en>

	0	1	2	3	4	5
Law on lobbying, conflict of interest is being prepared, currently in the Parliament/Chamber of Deputies (Document of the Chamber No. 565). The aim of the act is to make corporate lobbyists (including tobacco industry) report their activities and cliental. For example, the creation of a lobby register is expected. ⁸⁹ Article 5.3 FCTC will be taken into account. The planned entry date of this Act was the 1 January 2021, but the law has long overdue and it is uncertain whether it will be approved by the election. ^{90 91}						
19. The government has a program / system/ plan to consistently ⁹² raise awareness within its departments on policies relating to FCTC Article 5.3 Guidelines. (Rec 1.1, 1.2)						5
The government does not have a program or plan to raise awareness on Article 5.3 within its departments. According to the report submitted by the government to the COP in 2020, Article 5.3 was promoted by the Ministry of Health during consultation of the preparation of the draft act on lobbying (Document of the Chamber No. 565). The aim of the act is to make lobbyist (including the tobacco industry) report their activities and limit interactions with the industry. ⁹³ The approval and implementation of this law has been delayed.						
20. The government has put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry (monetary or otherwise) including offers of assistance, policy drafts, or study visit invitations given or offered to the government, its agencies, officials and their relatives. (3.4)						5
The government has not put in place a policy to disallow the acceptance of all forms of contributions/ gifts from the tobacco industry including offers of assistance, policy drafts, or study visit invitations. Non-specific rules are included in the Code of ethics for public administration officials and employees. ⁹⁴						
TOTAL SCORE						66

⁸⁹ Justice.cz. [Fight against corruption. Lobbying.] <https://korupce.cz/protikorupcni-agenda/lobbing/>

⁹⁰ EUR-Lex Access to European Union law: https://www.ecb.europa.eu/ecb/legal/pdf/cz_25_2019-osz-kor_1.pdf

⁹¹ Aktuálně.cz. 13/May/2021 [Political movement ANO and Pirates are in a hurry with the Lobbying Act. It could also apply to the president's advisers]. <https://zpravy.aktualne.cz/domaci/zakon-o-lobbovani/r~b9a6c59cb32911ebbfd0cc47ab5f122/>

⁹² For purposes of this question, "consistently" means: a. Each time the FCTC is discussed, 5.3 is explained. AND b. Whenever the opportunity arises such when the tobacco industry intervention is discovered or reported.

⁹³ 2020 - CORE QUESTIONNAIRE OF THE REPORTING INSTRUMENT

OF WHO FCTC. https://untobaccocontrol.org/impldb/wp-content/uploads/Czech_2020_WHOFCtCreport.pdf

⁹⁴ Ministry of the Interior of the Czech Republic. [Code of Ethics for Public Administration Officials and Employees]: https://www.cuzs.cz/userfiles/documents/Legislativa/Etický_kodex_uredniku_a_zamestnancu_verejne_spravy.pdf

Annex A: Sources of Information

	TOP TOBACCO COMPANIES/ DISTRIBUTORS	MARKET SHARE	BRANDS	SOURCE
1	Philip Morris	about 40%	Marlboro, L&M, Philip Morris, Petra Klasik and Sparta	https://www.pmi.com/markets/czech-republic/cs/overview/our-products
2	British American Tobacco	about 20%	Dunhill, Rothmans, Lucky Strike, Kent, Pall Mall, Newport, Camel a Natural American Spirit	https://www.batczech.cz/group/sites/BAT_A66HPK.nsf/vwPagesWebLive/DO9T5K3S?opendocument
3	JT International	27.9%	Camel, Winston, Benson & Hedges, Liggett Ducat,	https://www.jti.com/cs/europe/czech-republic
4	Imperial Brands CR, s.r.o.	14%	Davidoff, West, P&S, Gauloises Blondes, R1, Ernte 23, Reval, Cabinet, Route 66	https://www.imperialbrands.cz/o-nas/kto-sme/
5				

	TOP MEDIA/ NEWSPAPERS	URL
1	Hospodářské noviny	https://hn.cz/
2	iDnes	https://iDnes.cz
3	irozhlas	https://www.irozhlas.cz/

	MAIN TOBACCO INDUSTRY ALLIES/ FRONT GROUPS	TYPE (FRONT GROUP, LOBBY GROUP, INDIVIDUAL)	SOURCE
1	KPMG company		TobaccoTactics [Internet]. Bath: University of Bath; 2020 [cited 2020 April 20]. KPMG. Available from: https://tobaccotactics.org/wiki/kpmg/
2	Ogilvy		https://www.ogilvy.cz/
3	Confederation of Industry and Trade of the Czech Republic	Lobby group	