



action on smoking and health

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Dr Jean-Pierre Garnier
Chief Executive Officer
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7th March 2001

Dear Dr. Garnier

Re: *Derek Bonham*

I write to express my dismay that GlaxoSmithKline, as a major healthcare company, should have on its board a prominent tobacco industry figure. I believe this will have negative consequences for the company - especially in an environment where partnerships between private, public and voluntary sectors are increasingly common.

ASH has worked closely with both Glaxo and SmithKline Beecham staff and always welcomed the active collaboration. I hope to continue this with the merged company. We have worked with GSK under the auspices of the WHO-Europe Partnership Project on tobacco dependence and at various one-off opportunities. ASH was instrumental in securing greater government commitment to smoking cessation products in the NHS National Plan and we have helped with PR for both Zyban and Niquitin CQ. Our involvement with GSK staff has, I believe, been mutually beneficial, and we have gained from exposure to the company's arguments and insights. I have always admired the commitment and professionalism of the GSK staff involved.

This experience is replicated in many organisations, many countries and in business areas beyond the smoking cessation category. This positive and constructive environment is threatened by the continuing presence of Derek Bonham, Chairman of Imperial Tobacco, on the board of GSK.

There are several negative aspects to Mr. Bonham's presence on the GSK board. Most contribute to strong reputational risk.

- There are clear conflicts of interest - every time someone successfully uses a GSK smoking cessation product the market for tobacco declines. Every time a smoker switches to 'lights' as an alternative to quitting the market for smoking cessation is diminished.

- Most of the measures that drive people to want to quit smoking and use GSK products are exactly those that are opposed by tobacco companies. Such measures include:
 - Restrictions on smoking in public places and workplaces
 - Marketing restrictions on tobacco companies
 - Higher tobacco taxation
 - Greater NHS involvement in smoking cessation
 - Regulatory measures to be applied to tobacco products
- There is the question of the credibility of a science and research based organisation like GSK appointing a person who leads a tobacco company, which has had such a notoriously poor record with truth, facts and reality. You may not be aware of the especially withering criticism the Commons Health Select Committee reserved for Imperial Tobacco in its report, *The Tobacco Industry and the Health Risks of Smoking*, published in June last year:

Para 38: "Mr Gareth Davis [chief executive] of Imperial refused to accept directly any of the evidence, nor did he appear to think it was his role to evaluate this evidence. He told us: "I do not think that we can say that it [smoking] is safe or unsafe ... we do not know whether it is safe or unsafe". He added that "we do not agree that smoking has been shown to be a cause [of certain diseases]"

Para 54. It seems to us that the companies have sought to undermine the scientific consensus until such time as that position appears ridiculous. So the companies now generally accept that smoking is dangerous (but put forward distracting arguments to suggest that epidemiology is not an exact science, so that the figures for those killed by tobacco may be exaggerated); are equivocal about nicotine's addictiveness; and are still attempting to undermine the argument that passive smoking is dangerous. The current exceptions to this - based on the evidence they gave us - are firstly Philip Morris who claim no longer to comment on these issues except to protect themselves in law and secondly Imperial who claim not to know whether smoking is dangerous or nicotine addictive.

Para 55. Tobacco companies are commercial enterprises whose imperatives have nothing in common with the public health community. Their past records of denial and obfuscation militate against any claims they may make towards scientific objectivity.

- If he is still with the company by the time of the GSK AGM, I will be asking Mr. Bonham what he believes about smoking. I believe he will have to choose between the line taken by a science-based healthcare company and a tobacco company. As you can see above, they are rather different and I think you can imagine the line of questioning.
- Should this link between tobacco and pharmaceuticals become widely known in the general public, there is a grave risk to the public understanding of smoking cessation. There are already campaign groups that claim the tobacco industry and pharmaceutical industry have a symbiotic relationship that is parasitic on the smoker. I believe it would be highly damaging to the category, to the company and the industry as a whole would be highly damaging to feed

that cynical perception. There is a serious reputational risk in continuing with Mr. Bonham on the board.

- Loss of public - private - voluntary sector collaboration is inevitable. The GSK forerunner companies have been champions of such collaboration, with partnerships with WHO-Europe (which includes ASH), Cancer Research Campaign, British Medical Journal and others. The position will be especially difficult for WHO, which has recently published extensive research on the tobacco industry's infiltration of WHO. I saw the announcement of the GSK-WHO partnership on malaria - but how could WHO justify working with GSK on malaria but not on smoking? WHO is highly sensitive to forces that draw it away from tobacco, and collaboration on malaria but not on smoking would do exactly that.
- I fear this must be very undermining for GSK staff. I frankly feel sorry for the hard-working professionals working in the GSK smoking cessation category. All that I have spoken to have assiduously defended the company's position, but I cannot believe this does not cause them some distress. For them, doors that they have worked to open will close, and friends and allies they have cultivated will have no choice but to turn away. No one will be happy about this, but it is inevitable. I believe that one of the strongest reasons for Mr. Bonham to step down is the likely impact on GSK staff morale in the smoking cessation businesses.

As part of compliance with the Turnbull guidance on internal control, the company is required to assess and manage risk - including reputational risk. I believe the risks outlined above amount to a substantial total downside. It is also unnecessary that the company takes this risk. While I do not doubt Mr. Bonham's financial acumen, I do not believe he can be so much more capable than the next best non-executive director to fill his position on the GSK board. Thus the balance of advantage must surely rest with his departure from the board.

ASH has a small shareholding in GSK and I will be attending with others to question you and the Chairman on this situation. I hope that Mr. Bonham will have already announced his departure by then and that such questioning proves unnecessary. More than anything, I would like to resume normal and constructive relations with GlaxoSmithKline. For ASH and for many others, the presence of Mr Bonham on the board is unacceptable and a barrier to collaboration.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Clive Bates', written in a cursive style.

Clive Bates