CEO, COMPANY NAME AND ADDRESS

Dear ____________

We the undersigned investors representing $____ in assets under management are writing you in the midst of a worldwide public health emergency to urge immediate changes in company policy and operations in order to help protect the health and lives of millions of children and teens around the world exposed to tobacco imagery in our company’s movies and TV shows.

Public health recommendations to the entertainment industry, dating back to late 2003, reflect the worldwide scientific consensus that commercial entertainment with tobacco content is driving a global tobacco epidemic that kills eight million people annually and is on the way to kill one billion human beings in this century.

We ask the company to commit to implement, by July 1, 2021, the recommended policies contained in the Appendix to this letter, which come from the report, “What Is Hollywood Hiding”, by the University of California, San Francisco Center for Tobacco Research and Education. https://escholarship.org/uc/item/3pw661mg

We believe that further delay in strengthening efforts to eliminate youth exposure to on-screen smoking and vaping can only increase this company’s exposure to reputation and brand risk, domestic and international regulatory risk, and potential liability claims. For example:

1. **Legislative/regulatory risk:**

   In April 2019, three US Senators wrote thirteen entertainment media companies seeking information on how many of their films and TV shows featured tobacco imagery. They also asked each company to take a position on recommended policies to protect children’s health.

   In August 2019, forty-three state Attorneys General asked the major US media companies to “eliminate or exclude tobacco imagery in all future streamed content for young viewers.” The Attorneys General did so as part of their ongoing enforcement of the 1998 Master Settlement Agreement with US tobacco companies.

   These communications predate the global COVID-19 pandemic, but they were prescient in their warning that heedlessly promoting tobacco to the age groups most vulnerable to initiate tobacco use will have far-reaching population health effects. As the research literature shows, the COVID-19 virus amplifies these harmful effects; lungs weakened by tobacco fail when the virus strikes. It is unconscionable to promote tobacco addictions among young people at any time, but especially when the pandemic has no preventive vaccine, no cure, and its future global course remains unknown.

   Tobacco promotion in youth-oriented media is a global issue. The British Medical Journal reported that streaming services that are popular with teens and young adults in India “are
flouting the nation’s regulations on exposure to tobacco imagery in any media platform” and indicate “the need for better enforcement of existing rules in India and updating the guidelines for implementation of Article 13 of the WHO Framework Convention on Tobacco Control” (FCTC). The FCTC has been signed by 168 nations and territories. FCTC Article 13 calls for a comprehensive ban on tobacco advertising, promotion and sponsorship, and includes tobacco in entertainment media.

2. **Reputation risk:**

The tobacco industry’s own documents, discovered during lawsuits, trace deliberate, persistent cross-promotion and paid product placement campaigns by US tobacco companies, in collaboration with major US movie studios, broadcast networks, and independent media producers, starting nearly a century ago. Vaping manufacturers in recent years have boasted of using influencers and placement.

Reports from the US Surgeon General and peer-reviewed research articles published in the nation’s leading medical and public health journals, among them the US CDC’s official health surveillance publication, the *Morbidity and Mortality Weekly Report* — consistently state that on-screen smoking is a substantial health threat.

Indeed, the CDC has projected that exposure to smoking on screen will recruit more than six million new young US smokers in this generation, and that more than two million of the young people recruited by this specific channel will ultimately die from tobacco induced cancers, heart disease, lung disease, and stroke.

The theme of this year’s WHO 2020 World No Tobacco Day is “Protecting youth from industry manipulation and preventing them from tobacco and nicotine use.” The WHO names as an example of industry manipulation “indirect marketing of tobacco products in movies, TV shows and online streaming shows.” It calls on film, TV or drama production companies to join the fight against the tobacco epidemic by pledging not to depict tobacco or e-cigarette use.

We recognize this is a period of disruption and risk for companies like ours. Rapid migration of viewers to on-demand platforms is a challenge to all players. Competing in this space, at scale, is exorbitantly expensive. Companies rushing to create friction-free online video stores are playing down familiar film and TV ratings, inventing their own content notices and applying them arbitrarily. Parents, when they are able to locate parental controls on these services at all, must master different tools on various platforms with inconsistent standards. Parents may well be less informed than before, with even less control over the specific content their children are exposed to — especially tobacco content.

According to the latest survey from the University of California, San Francisco, more than half (51%) of all top-grossing movies released theatrically in 2019 show smoking. Despite the stated efforts of most MPA companies, 2019 saw more tobacco incidents on screen than in the past
fifteen years. Vaping incidents, which had disappeared in 2018, roared back in 2019, outnumbering all such incidents since 2010. Smoking incidents even increased in movies rated G or PG. In 2019, movies rated R, which by default are freely accessible to children and teen viewers on streaming services, tripled their tobacco exposures to moviegoers to 19.4 billion impressions, the highest level recorded since 2002.

The MPA itself reports that films are now watched many times more often on digital media than in theaters — up to fourteen times more often, per capita — turning tens of billions of in-theater tobacco impressions per year into more than one hundred billion total exposures in the US alone. Teens might now see more smoking on screen than at the height of prime-time TV cigarette advertising, before it was banned from the public airwaves by an act of Congress exactly half a century ago this year.

While there has been some progress against smoking in PG-13 theatrical movies, smoking has exploded in the streaming shows most popular with teens and young adults. Because audience numbers for streaming originals are not publicly reported, these exposures cannot be estimated with precision and are not included in the 2019 totals cited in the previous paragraph. At any rate, most smoking reductions in youth-rated movie occurred before 2010; smoking in these movies has hovered at persistently unsafe levels for the past decade.

We know that the company takes this issue seriously and is aware of the fact that on-screen smoking harms children watching it. The company must also be aware that there is a national policy consensus adamantly opposed to promoting tobacco to children and teens, enshrined in state and federal law. However, the tobacco industry still benefits from tobacco presence in entertainment media, even though it has suffered penalties in the billions of dollars for promoting its products to young people.

As shareholders, we believe the serious risks associated with tobacco promotion to young viewers can in no way be justified as arising in the course of the company’s main business.

With public health joining the protection of loved ones as chief preoccupations of most of this company’s customers and subscribers, now is the time for clear vision and true leadership. The recommended measures in the Appendix are worthy of your review, and their implementation over the next year will make a lifetime of difference to millions of families. We look forward to a substantive discussion of the crises we all face and the actions we can take to move this company forward, away from risk toward certainty, confident that it will be welcomed in homes around the world for decades to come.

We look forward to your response by July 30, 2020. Please contact ________________ at PHONE (email).