

Accelerating Progress

A year closer to achieving our goal of
ending smoking in the next 30 years.

2018 Annual Report

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As a health professional, an advocate and a citizen, I understand the insidious nature of smoking and the toll it takes on people’s lives and livelihoods. We must do more.

Dr. Derek Yach

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Introduction

“As a health professional, an advocate, and a citizen, I understand the insidious nature of smoking and the toll it takes on people’s lives and livelihoods. We must do more.”
- Dr. Derek Yach

Who is FSFW?

The Foundation for a Smoke-Free World (FSFW) supports, funds, and advances innovative programs and research that will lead to real change.

2018 Progress

We made meaningful first steps to empower the agents of change who will improve the health and lives of all.

Current & Future Work

In 2018, we committed more than \$25 million to authorized grantees. In 2019, we will significantly increase grants funding to renowned scientists and researchers around the globe.

A female scientist with dark curly hair tied back, wearing a white lab coat, safety glasses, and purple gloves, is working in a laboratory. She is standing at a lab bench, handling a small vial. The lab bench is cluttered with various items: a rack of pipettes, a roll of white paper towels, a yellow and white bottle labeled 'BLEACH', and several colorful trays (pink, yellow, blue). In the background, there are shelves stocked with boxes of 'Aurora' brand products and other lab supplies. A blue lab stool is visible in the foreground. A large, dark blue circular overlay is positioned on the left side of the image, containing white text.

Who is FSFW?

End smoking in this generation, within the next 30 years. This means eliminating combustible cigarettes worldwide. We, the Foundation for a Smoke-Free World, know this is a bold, complicated, and entirely attainable goal.

The why is urgent. The how will require embracing new ideas.



A Letter from Derek

I am often asked, why are you leading this foundation? The answer is both obvious and deeply personal. Tobacco kills more than seven million people annually, yet one billion¹ people continue to smoke; most are in low- and middle-income countries. Every life lost is one too many.

I also grew up watching many close relatives die prematurely from smoking. As a health professional, an advocate and a citizen, I understand the insidious nature of smoking and the toll it takes on people's lives and livelihoods. We must do more.

Our mission at the Foundation for a Smoke-Free World is simple: to end smoking in this generation, while mitigating the effects of this change on tobacco farmers and tobacco-dependent economies. I have worked to establish priorities and goals that complement those established by the World Health Organization and the Framework Convention on Tobacco Control, with an emphasis on ending smoking in adults; preparing smallholder farmers for future alternative livelihoods; and, strengthening scientific capacity in lower middle-income and low-income countries.

So what progress have we made and where are we going next?

To better understand the challenges facing smokers and the nicotine landscape in the 21st century, we commissioned/supported four landscape reports, including the Global State of Smoking Survey that polled smokers in 13 countries and the Global Cessation Landscape report that assessed the efficacy of the smoking cessation products and services available and in development. We uncovered a profound need for new solutions tailored to specific populations.

From there we focused on Accelerating Progress in scientific research, agricultural diversification, and industry change. Some highlights for me included:

- Opening the Centre of Research Excellence on Indigenous Sovereignty & Smoking in New Zealand with Dr. Marewa Glover, a world-renowned tobacco control expert. This center is investigating how the rapidly reducing tobacco smoking rates among indigenous peoples can assist the broader global smoking problem.
- Launching the Agricultural Transformation Initiative in Malawi, which aims to diversify tobacco-dependent economies. Our first big action was to announce the establishment of the Center of Agricultural Transformation that will facilitate transformational agricultural development.
- Completing research on Global Trends in Nicotine, which has set a baseline against guidelines for companies that produce nicotine-based products. This report has paved the way for the Smoke-Free Index™, a comprehensive evaluation of tobacco companies' actions toward or against achieving a smoke-free world.

This work is a strong start, but it is only the beginning. Accelerating Progress means strengthening our support for the true agents of change. Our recent three-year commitment of over \$100 million to ten grantees is the first of many such announcements to come.

As I look ahead to 2019, I am humbled by the mission we've undertaken. It is ambitious, it is vitally important, and above all else it is new.

New, because we are listening with empathy to the smoker who wants to quit or shift to less harmful options.

New, because we are including the tobacco farmer and tobacco-dependent economies in our vision of a smoke-free future.

New, because we are promoting the industry-wide transformation that is critical to the success of our mission.

Ending smoking in this generation is a global challenge. As the 50th anniversary of the moon landing approaches, I am reminded of the words of President Kennedy who, when discussing the goal to put a man on the moon, said we do these things "not because they are easy, but because they are hard... because the challenge is one that we are willing to accept, one we are unwilling to postpone, and one we intend to win."

Sincerely,

Dr. Derek Yach
President
Foundation for a Smoke-Free World

¹ World Health Organization. Global NCD Target: Reducing Tobacco Use. <https://www.who.int/beat-ncds/take-action/policy-brief-reduce-tobacco.pdf>. Published July 2016. Accessed May 3, 2019.

Our Mission

At the Foundation for a Smoke-Free World, we support, fund, and advance innovative programs and research that will lead to real change. Unique among our peers, our approach is based on first understanding the challenges smokers face when quitting, and then researching and applying innovative solutions. We're committed to helping adult smokers quit the habit or switch to tobacco harm reduction products.

The Foundation, with a focus on smallholder tobacco farmers, is also dedicated to ensuring that vulnerable populations impacted by the declining demand for tobacco are supported to find sustainable alternative livelihoods.



There are over

1 BILLION

smokers in the world today.¹

That's 280 million more smokers than in 1980.

Developing a solution is critical and timely. Smokers demand better and safer options, yet implementation of research, cessation, and harm reduction is lagging. Today, we have the opportunity to leverage innovative technology, which is separating the health risks associated with nicotine delivery from those of emissions found only in combustible cigarettes. We can improve the lives and health of billions through our three core principles:

Health, Science, and Technology:

Complement ongoing tobacco control efforts to accelerate quitting and switching to tobacco harm reduction products while understanding the individual smoker.

Agricultural Transformation Initiative:

Promote diversification in tobacco-dependent economies.

Industry Transformation:

Focus on delivering change across the entire global tobacco industry and nicotine ecosystem.

Embedded in these principles is the Foundation's commitment to gender equality and the application of a comprehensive gender perspective.

1. World Health Organization. Global NCD Target: Reducing Tobacco Use. <https://www.who.int/beat-ncds/take-action/ncd-tobacco-target.pdf>. Published July 2016. Accessed May 3, 2019.

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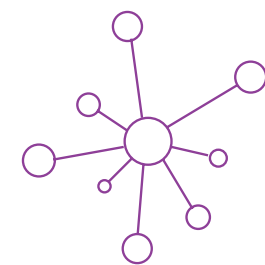
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Our Core Pillars



Health, Science, and Technology (HST)

We know most smokers want to quit, but struggle with cessation tools that offer success rates of less than 10%.¹ Improving the outcomes requires that we go beyond the current available information to understand the role that smoking plays in the individual smoker’s life in order to find the best solutions to help him or her quit.

Over the next several years, we will leverage data, research, and input from stakeholders and experts to complement ongoing tobacco control efforts by the World Health Organization. We will accelerate the development of more effective tools to help smokers quit or reduce their risks with a focus on building capacity for research targeting the low- and middle-income countries where the majority of smokers live.

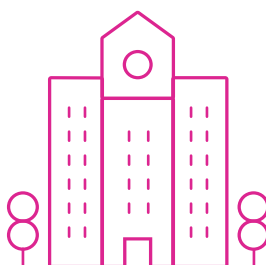
¹. World Health Organization, WHO Report on Global Tobacco Epidemic: Monitoring Tobacco Use and Prevention Policies. <https://apps.who.int/iris/bitstream/handle/10665/255874/9789241512824-eng.pdf>. Accessed May 3, 2019.



Agricultural Transformation Initiative (ATI)

We are preparing for a future of reduced tobacco demand. Our goal is to make the agriculture sector globally more competitive by working with smallholder tobacco farmers to help develop new business models that create value for existing participants in the tobacco supply chain.

To achieve its mission, the ATI is partnering with the private sector, smallholder farmer organizations, government and financial stakeholders to catalyze investment, develop and strengthen extension services, and promote entrepreneurship to support tobacco farmers in their efforts to transition to alternative crops and livelihoods.



Industry Transformation (IT)

Our Industry Transformation efforts focus on attaining change within the global tobacco industry and nicotine ecosystem. Establishing a complete data set that encompasses the companies that produce nicotine-based products is a necessary precursor to developing effective policies. The Global Trends in Nicotine report is an important part of our overall research efforts and lays the groundwork for our work.

The Smoke-Free Index™, which is the first action of the Foundation’s Industry Transformation initiative, will provide quantifiable evidence over time of what steps the largest tobacco companies are taking toward achieving a smoke-free world and any actions they take to undermine that progress.

2018 Progress

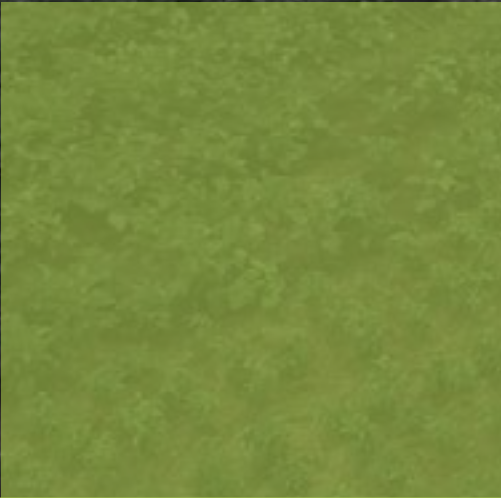
2017



2018

\$6.7
MILLION
GRANTS PAID

\$0.1
MILLION
GRANTS PAID



Grants authorized in 2018: **\$25.7 million**

In 2018, we made meaningful first steps to empower the agents of change who will improve the health and lives of all.

To accelerate progress on smoking cessation, we engaged with EY-Parthenon’s Global Life Sciences Practice to produce Smoking Cessation Products and Services: Global Landscape Analysis.

To advance knowledge about harm reduction, we supported the development of the first global review of the topic: No Fire, No Smoke: Global State of Tobacco Harm Reduction 2018 (GSTHR).

To initiate dialogue with smokers, we conducted a Worldwide State of Smoking Survey of smokers in 13 countries to shed light on addictiveness, smoking behaviors, awareness, and consumption of alternative products.

To promote transformation of the tobacco and nicotine ecosystem, we published The Global Trends in Nicotine report. This important research lays the groundwork for the Smoke-Free Index™, which will annually evaluate 15 of the largest tobacco companies in the world.

To prepare farmers for a post-tobacco economy, we held our first Agricultural Transformation Initiative Summit in Malawi, working with smallholder tobacco farmers to identify alternative livelihoods in this tobacco-dependent country.

In the years to come, we will continue to Accelerate Progress by honoring these commitments as well as making new grants to further our mission.

The Foundation for a Smoke-Free World is an independent, U.S. nonprofit 501(c)(3) organization with the purpose of improving global health by ending smoking in this generation. The Foundation is currently funded by Philip Morris International (PMI) through a binding pledge agreement for 12 years. The Foundation guaranteed its independence through its Certificate of Incorporation and Bylaws that preclude any influence from PMI or any other tobacco company on the Foundation’s activities or funded research. The Foundation’s Board of Directors and independent external auditors hired by the Board ensure compliance.



2018 Progress

We launched the Foundation knowing there was great potential to improve global public health. Two years later, we have seized the unprecedented opportunity to provide global tobacco control with new insights and viable solution models.



2018 Achievements

In 2018, the Foundation's work addressed our three core strategic pillars: Health, Science, and Technology; Agricultural Transformation Initiative; and Industry Transformation. To accelerate progress toward ending smoking and attaining change within the global tobacco industry and nicotine ecosystem, we supported/commissioned several important studies. Additionally, we launched projects in Malawi, a country whose economy is highly dependent on tobacco, that will serve as models for other tobacco-dependent economies.

Discovery

The Foundation commissioned and supported key studies in 2018.



Worldwide State of Smoking Survey

Quitting smoking means more than just giving up cigarettes. By enrolling more than 17,000 participants in 13 countries, the Global Poll uncovered that smoking is deeply integrated into smokers' daily lives. Data identifies not only physical but also behavioral and emotional underpinnings.



Smoking Cessation Products and Services

Ernst & Young-Parthenon's comprehensive report catalogs the variety of products and services offered to smokers who want to quit. The landscape analysis provides insight on the failures of current smoking-cessation products to deliver effective quit rates. Additionally, the limited pipeline for current drugs and medical devices suggests no breakthrough treatments are expected within the next five to 10 years.



No Fire, No Smoke

Published by Knowledge-Action-Change, the Global State of Tobacco Harm Reduction report highlights the availability and use of reduced harm and nicotine products relative to combustible tobacco at a global, regional, and national level.



Global Trends in Nicotine and Smoke-Free Index™

The Global Trends in Nicotine report lays the groundwork for the Foundation's work in the area of Industry Transformation, and represents an important step in the Foundation's research program. Specifically, this report identifies the major players in nicotine delivery, outlines their product organization and geographic focus, and quantifies their output on a relative basis. In 2019, we selected Euromonitor International and SustainAbility to create the Smoke-Free Index™, which will provide quantifiable evidence to evaluate progress and assess actions that undermine progress to achieve a smoke-free world within this generation.

In Malawi

The Agricultural Transformation Initiative (ATI) is preparing smallholder farming communities for a future of reduced tobacco demand. Through the ATI, we are confronting an area of deep neglect: tobacco farmers in low-income and middle-income countries. We are working with smallholder tobacco farmers to facilitate the development of complementary structured value chains and help diversify their livelihoods. The goal is to make the agriculture sector in Malawi and the southern Africa region globally competitive.

One of our first actions was to call for expressions of interest to operate and manage a permanent Center for Agricultural Transformation. The Center was officially established in 2019 as a world-class hub that combines scientific research, smallholder farming, and business cultivation to drive transformational agricultural development. The project draws on the expertise of a consortium of partner organizations including Land O’Lakes International Development, the University of Minnesota, Stellenbosch University, and the Malawi University of Science and Technology.

The ATI’s work has been initially focused exclusively on Malawi, one of the world’s most heavily tobacco-dependent economies. Tobacco accounts for over 60% of the country’s total annual earnings and 13% of the economy as measured by the gross domestic product (GDP).¹

In December 2018, the ATI hosted its first annual summit in Malawi with a focus on identifying viable economic alternatives for smallholder tobacco farmers and exploring alternate profitable market opportunities. The summit engaged more than 150 stakeholders and highlights included announcements about new grants touching economic drivers for smallholder farmers like digital financial services and a university scholarship opportunity.



1. Hu TW, Lee AH. Tobacco control and tobacco farming in African countries. J Public Health Policy. 2014;36(1):41–51. doi:10.1057/jphp.2014.47

CREMPA

We awarded the Central Region Milk Producers Association (CREMPA) with a grant that supplies seed funding to an association of dairy farmers to provide smallholder farmers with a viable alternative to tobacco farming.



ATI SUMMIT

The ATI officially launched in Malawi with the first annual Agricultural Transformation Summit, co-hosted with Palladium, a global impact firm. The two-day summit featured a series of discussions among key private sector leaders, research experts, and government officials regarding opportunities for economic diversification as well as collaborative business models.



2018 YOUTH PITCH WINNER

In collaboration with mHub, a local business incubator, we held the 2018 Youth Pitch Competition, where three young agri-preneurs participated in a panel as a first step in the design and implementation of a three-year Agri-preneur Accelerator Program.



New Paths

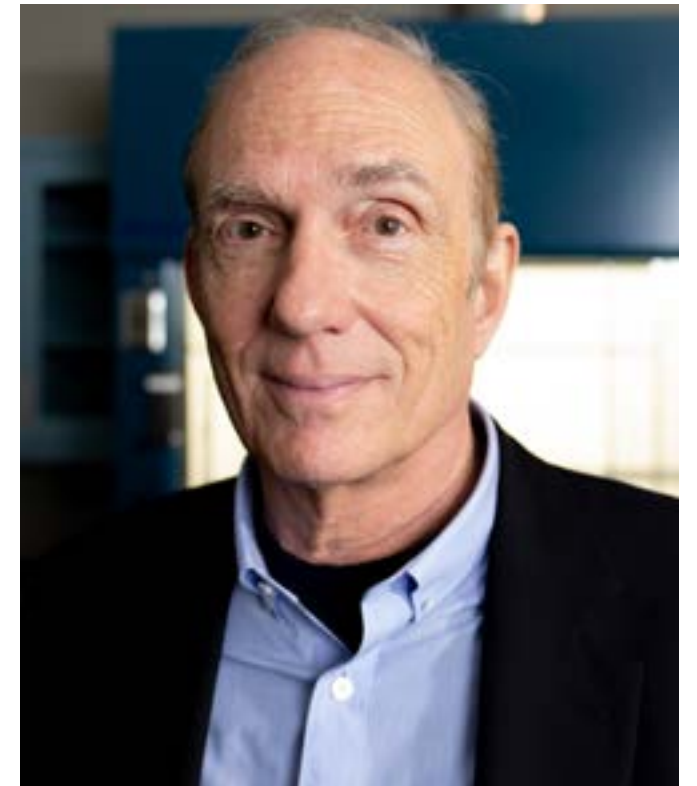
The Foundation is addressing a global public health issue by supporting groundbreaking research and innovation. In August 2018, we awarded Dr. Marewa Glover a Health, Science, and Technology grant to establish the Centre of Research Excellence in New Zealand with a focus on Indigenous Sovereignty and Smoking. As one of New Zealand's foremost tobacco control experts and a member of the Napier tribe, Dr. Glover leads the Centre with the aim of reducing the negative health impacts of smoking tobacco among indigenous peoples by building relevant research and intervention capacity in these populations.

Another highlight is newly-appointed grantee Jed E. Rose, Ph.D., President and CEO of the Rose Research Center. Dr. Rose, the co-inventor of the nicotine patch, will further his research on cessation methods and harm reduction through translational research, covering preclinical screening of candidates for therapies, and constructing capabilities to train healthcare providers in implementing the best evidence-based approaches.

Through every Health, Science, and Technology grant and partnership, we are strengthening our efforts to accelerate the end of smoking.



Dr. Marewa Glover



Jed E. Rose

President and CEO of the Rose Research Center

A scientist wearing a white lab coat, safety glasses, and purple nitrile gloves is working in a laboratory. They are using a pipette to transfer liquid into a multi-well plate. The lab bench is cluttered with various equipment, including a yellow pipette tip box, a red multi-well plate, a blue storage box, and several bottles. Shelves in the background hold more lab supplies, including a white spray bottle and a box of Kimtech tissues.

Current & Future Work

2019 will see a significant increase in grant funding to renowned scientists and researchers around the globe. This is in addition to the more than \$25 million of authorized grants in 2018.

What's to Come

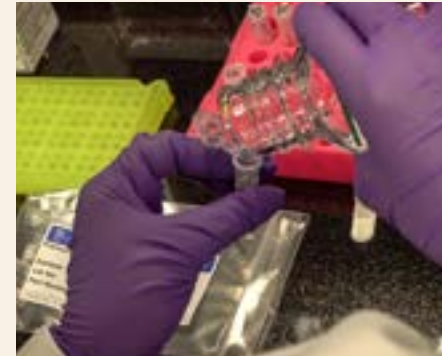
We recognize that our mission to end smoking in the next thirty years requires us to balance the urgency of current global health needs with a commitment to longer-term initiatives. Now is the time to deploy innovative investments to support cessation and harm reduction, which will start by strengthening local scientific capacity. Our second wave of scientific requests for proposals will continue our investment in research centers and global networks that are developing new models for global tobacco control.

Our grantmaking process and the work of our grantees are key for understanding the sex- and gender-based biological, social, and cultural dimensions of health and economic development that can impact progress toward ending smoking. We introduced the Foundation's Gender Policy that documents our commitment to gender equality and the application of comprehensive gender perspective to all of our work. We are invested in transparency and invited comments on the policy that are reflected in the final draft.



Grants Pipeline

We are embarking on a new phase at the Foundation for which we will be facilitating a breadth of research and work that will help drive real innovation and change across the tobacco and nicotine ecosystem. The requests for proposals we will launch in 2019 consider data gaps and the need for new insights in our three main areas of focus. Our grant projects will engage scientists across academia and global health to advance knowledge of reduced-harm tools and help smokers quit using combustible cigarettes.



Health, Science, and Technology Lowering smoking prevalence to near 0%:

- New and Better Tools for Research
- Outcomes Research
- Improving the Effectiveness of Cessation and Harm Reduction Interventions
- Research on Policy-Level Enablers of Smoking Cessation and Harm Reduction
- Systems Science and Implementation Index



Agricultural Transformation Initiative: Diversify tobacco-dependent economies

- Design of the Agri-Preneur Accelerator Program
- Digital Financial Services for Smallholders Challenge Fund
- Agricultural Transformation Initiative
- CONRAD Challenge



Industry Transformation: Provide quantifiable evidence

Provide quantifiable evidence over time of what steps the largest tobacco companies are taking toward achieving a smoke-free world and any actions they take to undermine that progress.

- Smoke-Free Index™

Contact Us



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