

REQUEST FOR PROPOSAL: ADVANCING INDUSTRY TRANSFORMATION – SMOKE-FREE INDEX[©]

BACKGROUND

The purpose of the Foundation for a Smoke-Free World is to improve global health by ending smoking in this generation. Ending smoking means eliminating the use of cigarettes and other forms of combustible tobaccoⁱ worldwide. As we pursue this goal, we will also identify and provide support to address the unique needs of the developing world associated with global efforts to end smoking.

Our task is urgent. More than a billion people still smoke worldwide, and more than seven million smokers die each year. The number of **deaths** in 2016 attributable to smoking includes approximately 1.8 million in China and 720,000 in India.^{1,2}

Our goal is to attain a transformation of the entire global tobacco industry and nicotine ecosystem. We define the nicotine ecosystem as the major players in the business of nicotine delivery through: (1) tobacco products, including cigarettes, cigars and cigarillos, smoking tobacco, and smokeless tobacco; (2) vapor products, including open and closed vaping systems, as well as heated tobacco products; and (3) nicotine replacement therapy (NRT) smoking-cessation aids. To accomplish this successfully, we must and will engage all players with the material ability to impact change for good. We will report all who impede progress in fair, verifiable, and systematic ways. We will encourage the development of metrics that investors and policy makers understand, value, and utilize. Impact on industry is a core pillar of the Foundation's strategic framework (see Chart 1).

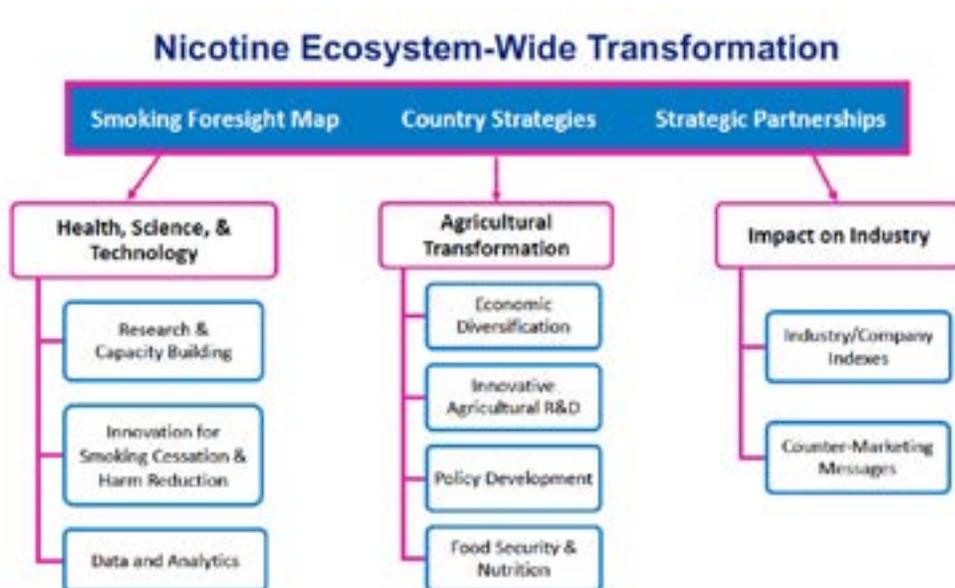
Currently, we rely heavily on government implementation of the World Health Organization Framework Convention for Tobacco Control (**WHO FCTC**) guidelines³ to tackle this public health crisis. This approach has yielded substantial progress in many countries, mainly developed ones. According to the *WHO Report on the Global Tobacco Epidemic 2017*, much of the global decline in smoking prevalence since 2007 has occurred in high-income countries. The report states, "While 85% of the population residing in high-income countries has benefited from declining smoking prevalence, only half of those in middle-income countries and a third in low-income countries saw reductions in their countries."⁴

The focus of the FCTC Conference of Parties (COP) has shifted from building the FCTC through ratification and the development of guidelines to accelerating and strengthening implementation of the FCTC. Reports assess the positive **impact** of the FCTC⁵ over its first decade and evaluate the remaining obstacles.

i Includes conventional smokeless tobacco products such as chewing tobacco and snuff, but does not include snus and related reduced-risk smokeless tobacco products.

We believe now is the time to **complement** these FCTC efforts by further examining the necessary future transformation of the tobacco industry and nicotine ecosystem, as well as by considering ways to change the core products that are responsible for preventable premature deaths and numerous diseases.

Chart 1. Nicotine Ecosystem-Wide Transformation (Foundation’s Strategic Framework)



We believe the investor community to be a powerful, yet underutilized, lever. Public company management has a fiduciary responsibility to maximize shareholder value. Therefore, investors have significant influence on management. A growing segment of the investor community is developing and applying Environmental, Social, and Governance (ESG) criteria⁶ in the investment process. In addition, some **investors**⁷ are moving away from the divestment approach, and they are opting to engage and influence controversial industries, companies, and stocks, rather than exit ownership. Reflecting the trend, the Sustainability Accounting Standards Board (SASB)⁸ has produced a provisional standard and proposed changes for sustainability accounting and disclosure for the tobacco industry. The SASB develops and maintains sustainability accounting standards for more than 80 industries in 10 sectors, including the tobacco industry. Michael R. Bloomberg is the Chair Emeritus of The SASB Foundation **Board of Directors**.⁹

By creating a direct relationship between a company’s transformation and shareholder value, while quantifying transformation through clear and transparent metrics, we can envision using a **market-driven** approach¹⁰ to incentivize sustainable change and to meet consumer demand for reduced-risk nicotine delivery products. Admittedly, the state-controlled and privately held manufacturers around the world are not responsive to investor pressure in ways that the publicly traded firms are. Our approach is to identify the major players and their significance. The Foundation will publicly highlight comparable data from all key players, on whether or not they are making progress toward enabling a smoke-free world. The Foundation will specifically identify FCTC guideline violations by companies and support such reported violations by documented evidence.

Private companies have the need to raise capital at times. For example, in July, Juul Labs Inc. raised **\$650 million**, as part of a fundraising¹¹ round that valued the e-cigarette company at about \$15 billion. Therefore, even private companies are not completely immune from scrutiny by the investment community, including private equity, venture capital, hedge funds, etc.

The state-controlled tobacco companies should adhere to FCTC provisions, a measure that will be reflected in the Foundation's program. Eventually, each government will be forced to reckon with the long-term costs (lost productivity and future health care) of smoking versus tax revenues. Certainly, private life and health insurers would also have a vested interest in the associated calculations and trade-offs. News reports, in 2017, indicated that **Russia's Health Ministry** was considering a ban on the sale of cigarettes to people born in 2015 and thereafter.¹² In addition, under the proposal, employees who smoke would have to work longer hours to compensate for smoking breaks. It is obvious that a proposal of this nature, while not adopted, would address the issue of costs related to productivity and health care. Considering that the cigarette market in China is about nine times the size of that in Russia, the potential future costs in China would be much greater. We intend for our program to facilitate serious discussions and actions by policy makers, particularly for the state-controlled entities that operate outside the bounds of investor influence.

Many dirty and unhealthy legacy industries can change, and are changing, by undergoing a transformation towards cleaner activities and products, as is expected by society. For example, coal companies are shifting to renewable energy. Waste management companies are shifting from dumping to recycling and reusing. Motor vehicle manufacturers are expanding into electric and hybrid cars and away from reliance on the combustion engine. At the heart of change, companies are using technological innovations to alter their core businesses, while ensuring sustainable profitability.

The tobacco industry sells a deadly product. Some consumers are rejecting that product, while others are not, but the transformation of the tobacco industry can provide an enormous and crucial acceleration to the process of eliminating combustible tobacco. The large publicly traded tobacco companies, smaller privately held entities, and state monopolies around the world have combined revenues of nearly \$800 billion dollars per year. They sell more than five trillion cigarettes annually, excluding illicit trade and locally manufactured combustible tobacco products, such as bidis in India. They deliver almost \$400 billion dollars in tax revenue to governments. Tens of millions of farmers, and millions of factory workers, distributors, and retailers are involved in the supply chain.

On the other hand, cigarette volumes are declining globally, albeit at an unacceptably slow rate. E-cigarette consumption is growing rapidly in selected markets. Next-generation products, such as new forms of e-cigarettes and heated tobacco products, are emerging in certain markets. We will present a review of these trends and identify the major players in future reports starting within the next several weeks.

We acknowledge that the tobacco industry's track record makes engagement with it problematic. Rules of engagement with the tobacco industry are codified through WHO FCTC Article 5.3 and the associated **guidelines**.¹³ Unfortunately, progress in implementation of FCTC rules has, to a large degree, been **unrealized**.¹⁴ We agree that engaging with the tobacco industry requires utmost transparency and scrutiny. That being said, the Foundation has been criticized for accepting industry funding by way of a **pledge agreement**,¹⁵ although the agreement guarantees financial independence. We firmly believe that meaningful change cannot happen without the engagement of all stakeholders. Further, we believe that the industry itself can be impacted to deliver substantial progress toward harm reduction. We invite all, including critics of the Foundation, to join in this effort.

Given this background, the Foundation is launching a call for proposals to develop and implement the means to:

1. Critically evaluate industry progress
2. Assess actions taken to undermine progress toward a smoke-free world

Findings of such evaluations and assessments will be reported in an annually published **Smoke-Free Index**ⁱⁱ report. The awarded grantee(s) of this Request for Proposal (RFP) will provide quantifiable evidence of how companies are addressing industry transformation. As part of this process, we anticipate the collection and compilation of verifiable metrics on research and development (R&D) of reduced-harm products, shifts in companies' capital expenditures and marketing spending in support of reduced-harm products, investments aimed at phasing out cigarette production – and much more.

The awarded grantee(s) will also deploy a systematic approach in collecting verifiable data and specific examples of illegal actions or those incompatible with good corporate practices. The grantee(s) will report unacceptable behavior demonstrated by clearly identified actors in a specific and quantifiable manner. The grantee(s) will use the WHO FCTC definition of tobacco control in defining the scope of work. This means “a range of supply, demand and harm reduction strategies that aim to improve the health of a population by eliminating or reducing consumption of tobacco products and exposure to tobacco smoke.”¹⁶ The Foundation will provide open access to the finalized product of the grantee(s).

WHY IS THIS NEEDED NOW, AND WHY IS IT POSSIBLE?

Developing a program of this nature is critical and timely for several reasons.

First, unprecedented and innovative technologies are separating the health risks associated with nicotine delivery versus those of emissions found only in combustible cigarettes, thereby increasing current smokers' non-combustible options. For over a century, the combustible cigarette has not changed much. However, technological disruption is now well underway in several parts of the tobacco industry and nicotine ecosystem. In addition, technology-driven change is occurring faster than regulators can keep pace with.

Second, smokers are demanding better and safer options. Today's consumers are informed about the risks of combustible products, by way of decades of tobacco-control communication and litigation, and the general increase of health awareness in most populations. Smokers want the freedom to choose less risky options if they do not want to give up nicotine. They demand accurate information about the comparative risks of nicotine-containing products to enable them to make an informed choice on product use. Over the past decade, social media has substantially changed the flow of communication to all corners of the globe. Therefore, consumers will be aware of, and demand, less risky alternatives to combustible cigarettes. We believe this will occur whether or not their country's regulators are willing to allow such alternatives or allow communication of comparative risks.

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Third, capital markets have taken notice of the potential economic power of alternative nicotine- delivery products to displace the cigarette business over time. Many investors already evaluate leading tobacco multinationals on their ability to provide sustainable reduced-risk alternatives as a replacement of combustible cigarettes. Given the fragmented, still developing, and largely unpredictable regulatory framework in the nicotine space, investors are likely to value replicable and periodic measurements of the manufacturers' performance against harm-reduction goals in making their long-term investment decisions. Furthermore, technology-savvy venture capitalists are already investing in e-cigarette companies, which implies aggressive investments in the products.

Fourth, FCTC interventions are being implemented slowly and inconsistently across various countries. As [the WHO Report on the Global Tobacco Epidemic 2017](#)¹⁷ indicates, “nearly two thirds of countries (121 of 194) – comprising 63% of the world’s population – have introduced at least one MPOWER measure at the highest level of achievement.” While great strides have been made, only one country has implemented all policies at the highest level, and 73 have implemented none. In addition, [global progress](#) in FCTC implementation¹⁸ of provisions on research, cessation, and harm reduction have generally lagged compared to that of regulatory reforms. This is further complicated by governments’ ambivalence towards vaping and other non-combustible products, which are unquestionably part of the solution.

Fifth, while efforts exist to document industry interference and actions impeding global harm reduction, virtually no efforts are made to systematically audit and report on verifiable practices that violate laws, and none addresses the full range of major cigarette manufacturers.

Sixth, the structure of the tobacco industry itself is changing. We estimate that China National Tobacco Corporation (CNTC) accounts for approximately 38% of world tobacco production by volume. The largest fifteen producers account for about 86%. Reports indicate that CNTC may be [poised to expand](#) globally,¹⁹ which could result in China being the major future source of combustible tobacco products both within and outside the country. The restructuring of the Chinese tobacco industry since the early 2000s and increased international sales have been seen by industry sources as key strategies for CNTC to become globally competitive. Global tobacco leaf purchase patterns have also been influenced by CNTC.

In this evolving landscape, now is the time to independently, objectively, and transparently evaluate the global tobacco industry and nicotine ecosystem against global tobacco harm-reduction goals. We invite stakeholders to join us in our effort to monitor, measure, evaluate, rate, and rank the players who are integral to the process that will lead to achieving a smoke-free world.

The Foundation is committed to support the development and publication of an annual **Smoke-Free Index**[®] report. The program is to be initiated in January 2019. The first **Smoke-Free Index**[®] will be published during the first half of 2020, and subsequent reports will be issued annually thereafter.

CASE STUDIES

Two potential models under consideration for application toward the development of the **Smoke-Free Index**[®] are the (1) **Access to Medicine** Index,²⁰ and the (2) **Access to Nutrition** Index.²¹ Based on our own independent review of the respective index reports, we have identified primary differences across the disciplines, reflecting the nature of the products and industries.

First, the design of the Access to Medicine Index implies that the underlying products are beneficial to society and individuals, while the Access to Nutrition Index implies mixed outcomes (nutrition versus undernutrition, obesity, etc.). Tobacco products are deadly. Therefore, necessary adjustments in the development of the evaluation criteria will be required in developing the **Smoke-Free Index**[®], pending the outcome of listening seminars with stakeholders to be conducted in early 2019. Second, the two existing Indexes are clearly financially and organizationally independent of their respective industries. That said, they do engage with industry to some degree, such as in the identification and prioritization of metrics that can be feasibly collected and are material to change.

Current **Smoke-Free Index**[®] operating model assumptions for planning purposes are (1) extensive upfront stakeholder engagement, including grantee(s) engagement with subject companies and state monopolies during the development of measurement criteria; (2) an outsourced working model; and (3) a degree of independence and accountability by the grantee(s), including implementation of an advisory panel and/or expert committees without any industry involvement in advisory structures.

We recommend that the tobacco industry be consulted in the development of the evaluation criteria, to ensure the resulting methodology is sound, realistic, current, and material to change. However, there will be no consultation with industry employees regarding the index-making process, which comprises index development, compilation, scoring, and reporting. Oversight will be led by senior and seasoned investors, academics, and tobacco control experts who are independent from the Foundation and industry. An independent oversight function will ensure that the research organization(s) that are awarded grants through this RFP process will index the largest tobacco companies in the world in an independent manner.

PROCESS DESIGN

Proper process design, verification, and validation are critical for the **Smoke-Free Index**[®] to be successful and widely adopted by public and private institutions as an objective and substantive indicator of tobacco industry transformation. We believe that early and deep engagement with a range of experts and stakeholders is vital for developing sound processes and criteria. The Foundation is pursuing an outsourced operational model for the program. The successful grantee(s) will carry out the work independently of the Foundation, with clearly agreed milestones and deliverables, and final accountability for the work product. As per this RFP, the resulting work (**Smoke-Free Index**[®]) will belong to the Foundation.

Engagement and consultation with industry is also necessary, in particular for the identification and development of metrics on which index scoring will be based. Realistically, there is a degree of technical expertise within the companies that cannot be easily replicated externally. The Foundation will assign to the grantee(s) the responsibility of tapping into such expertise.

Subsequent to the development of metrics and the resultant company survey questionnaires, the grantee(s) will administer the survey questions to the target companies. The grantee(s) will handle and **document** all related interactions with the companies during the data collection process, again independently of the Foundation. Interaction of the grantee(s) with companies is not allowed during the compilation and scoring of index results.

We believe that the value of engagement with the companies can be leveraged, without improperly influencing the final outcomes, i.e., the index scorecard. Given the likely nature of the measurement criteria – financial and, in some cases, technical – it is not feasible to create a valuable index without industry input. We must and will ensure that final index scoring will not be improperly influenced by industry. Frankly, we believe this approach distinguishes this model from others (bound by WHO FCTC Article 5.3), with the future goal of providing stakeholders the opportunity to have the difficult conversations with company management based on the data and analyses produced by this program.

The work processes to be performed by the executing party (i.e., awarded grantee[s]) shall include, but not necessarily be limited to, the following concurrent functions:

- 1.** Engagement in a series of listening seminars in multiple countries with various stakeholder groups – tobacco control, investor community, academics, policy makers, NGOs, industry participants – to acquire input toward the development of the **Smoke-Free Index**[®] process design and evaluation criteria, and to gather consensus regarding the appropriate role for the tobacco industry.
- 2.** Development, administration, and operation of population surveys to assess company-specific infringements – starting with underage smoking. Additional areas for measurement include specific marketing violations and legal proceedings (bribery, corruption charges, customs tariff violations, etc.).
- 3.** Staffing and implementation of independent advisory panel and applicable expert committees for the purpose of auditing the processes that are developed and conducted by the executing party. Responsibilities include oversight of data collection, compilation, verification, scoring, index-making, and reporting.
- 4.** Engagement with selected companies during the development of metrics and measurement criteria. Current industry employee engagement shall be limited to transparent engagement to obtain information regarding the data collection necessary for index design. All industry engagement with grantee(s) will be either in a public forum, such as the listening seminars, or documented by meeting minutes. Industry and company personnel shall be excluded from participation in the advisory structures, and they shall play no role in the compilation, scoring, and reporting of index results.

5. Executing party is responsible for:

- Development and administration of company and population surveys
- Data collection, compilation, and cross-referencing
- On-the-ground, in-country resources, as deemed necessary
- Index scoring
- Final report production, completion, and publication
- The Foundation retains the right to audit and validate the data, and to certify compliance with the terms of the RFP. All research will be conducted in accordance with the Foundation's **Responsible Research Compliance Policy**, which will be issued in upcoming weeks.

6. Final reports are to include results as follows: (1) corporate metrics key findings and analyses; (2) corporate index compilation, scoring, and report card; and (3) population surveys. The report is to include an executive summary and methodology discussion.

7. Post-mortem assessment is to be conducted after the completion of the first report, with the objective of identifying best practices and areas for improvement for the subsequent reports.

8. The Foundation retains ownership of the finished work product, as well as any documentation developed in support of the program.

APPLICATION PROCESS

The Foundation will use a two-phased approach to the awarding of this RFP. From the Expression of Interest, the Foundation will select several research organizations to proceed with full proposal development. The Foundation will then evaluate the submitted proposals and choose up to three organizations to execute the program. Upon contract award, our intention is to fund this program for multiple years. The Foundation will evaluate the progress of the program and the quality of each research organization's contribution for consideration of future award extensions.

- Deadline for receipt of Expression of Interest: October 15, 2018
- Communication of application status to all applicants: November 2, 2018
- Submission of complete RFP response: December 5, 2018
- Announcement of contract awards: January 4, 2019

Phase One: Expression of Interest

- Deadline for receipt of Expression of Interest: October 15, 2018
- Number of research organizations to be accepted: ~5
- Communication of application status to all applicants: November 2, 2018

Phase Two: Request for Proposal Response

- Submission of complete RFP response: December 5, 2018
- Number of research organizations to be selected: 1–3
- Announcement of contract awards: January 4, 2019

Expected Qualifications

We seek proposals from research organizations interested in participating in and capable of executing such a program.

Eligibility requirements are:

- Research capabilities covering company analytics and population surveys
- Global research presence, including in low- and middle-income countries (LMICs)
- Adequate resources (quantity and type) to satisfy project scope and timeline
- Documented quality assurance processes
- Breadth and depth of stakeholder relationships for the purpose of creating the oversight advisory panel and expert committees
- Independence from tobacco and e-cigarette companies

The guiding principles of research organizations' execution in support of the *Smoke-Free Index*[®] are defined as follows:

1. Ratings and rankings must be based on well-developed and fully disclosed criteria and work processes, for the purpose of monitoring the progress away from combustible tobacco and the support and/or violation of **FCTC** objectives (see Appendix A).
2. Results are expected to be driven by the data, with no preconceived agenda or outcome. All data, analyses, and outcomes must be verifiable, repeatable, and placed in the public domain.
3. All research must be conducted in line with the Foundation's **Responsible Research Compliance Policy**, which incorporates Open Science principles. These principles include (1) making all data available for re-analysis, (2) publishing all results whether positive or negative, and (3) making data available for publishing in peer-reviewed journals that offer open access.
4. All data must be cross-referenced with publicly available information, government reports, and reputable external sources.
5. The intention is to evaluate approximately 15 to 25 of the largest nicotine delivery companies in the world (see Appendix B). Companies may be global, regional, or, in certain cases, resident in one particular country (i.e., China, India, U.S., etc.).
6. Company data must be compiled through a combination of proprietary surveys distributed to the target companies, publicly available information, and, optionally, proprietary sources in lieu of no company response.

7. Potential, non-exhaustive evaluation criteria are identified in the following list. Note that key products are defined as combustible tobacco productsⁱ (A) and **reduced-harm** products (B).²² Measurements are to consist of A, B, and ratio of B-to-A for historical, current, and projected values. Going forward, future reports will compare actual results to previously projected values.

- i. R&D expenditures and actionable results (number, type, and launch timing of reduced-harm products)
- ii. Capital expenditures
- iii. Marketing focus
- iv. Product revenues and volumes (by applicable geography)
- v. Availability of reduced-harm products in LMICs (GDP per capita) versus high-income countries (HICs) – degree of change over time
- vi. Product expenditures
- vii. Consumption patterns of combustible tobacco versus reduced-harm products
- viii. Production changes: Factory closures and repurposing to reduced-harm products
- ix. Compatibility with and violations of FCTC guidance (Appendix A)
- x. Government investigations and indictments; penalties for violations (number, type, status, and timing)

Proposal Structure

All interested parties should submit a detailed proposal to the Foundation. Please be sure to cover the following in your submission.

Phase One: Expression of Interest

Summary of Organizational Capabilities and Experience

Please describe (in up to five pages) your organization’s capabilities and experience with global research projects covering company analytics, population surveys, and similar projects, including your global footprint and quality assurance processes. Confirm your independence from tobacco and e-cigarette companies. Describe the breadth and depth of potential stakeholder relationships for the purpose of creating the oversight panel and expert committees. Provide a description of your organization’s capabilities and experience in LMICs. Disclose potential conflicts.

Phase Two: Request for Proposal Response

1. Project Team Information

Please list your organization’s key personnel and collaborators who will be involved in this project. Include CVs for key personnel and highlight experience relevant to this project. Detail home locations of key personnel.

2. Detailed Approach

Please describe the concept and the overall approach you will take to conduct the work program from start to completion. You should include the description and format for the interim and final deliverables, the experts you plan to consult, a summary of all potential activities, and a detailed timeline to publish the first **Smoke-Free Index**[®] by June 30, 2020 (see Appendix C) – to be followed by annual updates thereafter.

3. Costs

Please include a detailed and itemized budget for all activities, personnel, and resources. Bid the project based on the number of companies under review (see Appendix B) equal to: (i) 15 companies, and (ii) 25 companies, assuming no change in timeline. Bid the project including three country-specific population surveys for underage smoking, itemized separately from the company portion of the program.

4. Additional information

In addition to the detailed personnel, schedule, and cost information referenced above, please provide the following information:

- i. Suggested list of metrics and terminology for corporate evaluation, including:
 - a. Specific list of the high-value metrics available through publicly available sources – describe data source, frequency, and perceived quality
 - b. Draft list of metrics recommended to be requested from companies in predefined survey questionnaire
 - c. List of other high-value metrics recommended to be developed by proprietary collection process, assuming “no company response,” operated by grantee (with associated costs and feasibility estimates by metric)
- ii. Recommendations for best practices and potential process improvement
- iii. Identification of possible conflicts, pitfalls, and risk factors

EVALUATION CRITERIA

The following criteria will be used to evaluate submissions:

- Alignment with the Foundation’s mission to eliminate smoking globally within a generation
- Technology expertise and prior experience
- Demonstrated ability to perform on similar projects
- Cost and timeline
- Probability of meeting the objectives of the RFP
- Potential for further scale-up (either internally or in collaboration with partners)
- Key organizational documents provided to the Foundation as part of our due diligence process

SUBMISSION INSTRUCTIONS

Applications and inquiries should be submitted to smokefreeindex@smokefreeworld.org. You will be notified as to the selection of or lack thereof your proposal.

KEY INFORMATION

The Foundation may disclose proposals, documents, communications, and associated materials submitted in response to this RFP to its employees, consultants, legal counsel, and contractors. Applicants should carefully consider the content of submitted materials if they have any doubt about the impact of disclosure of confidential or proprietary information. Although submissions will not be disclosed publicly during the evaluation process, all funded projects will be made public. The Foundation will work with grantee(s) to ensure that any materials made public will not disclose any protected information.

To be considered for an award, the applicant agrees that the Foundation may:

- Amend or cancel the RFP, in whole or in part, at any time
- Extend the deadline for submitting responses
- Determine whether a response does or does not substantially comply with the requirements of the RFP
- Issue multiple awards

The applicant must ensure that it has responded to the RFP with complete honesty and accuracy. If information in the applicant's response changes, the applicant will supplement its response in writing with any deletions, additions, or changes within 5 days of the changes. Any material misrepresentation, including omissions, may disqualify an applicant from consideration for an award.

Appendix A – WHO Framework Convention on Tobacco Control

Potential sub-categories are available in the WHO FCTC terms, for which the core demand reduction provisions are contained in articles 6-14:

1. Price and tax measures to reduce the demand for tobacco, and
2. Non-price measures to reduce the demand for tobacco, namely:
 - i. Protection from exposure to tobacco smoke
 - ii. Regulation of the contents of tobacco products
 - iii. Regulation of tobacco product disclosures
 - iv. Packaging and labeling of tobacco products
 - v. Education, communication, training, and public awareness
 - vi. Tobacco advertising, promotion, and sponsorship
 - vii. Demand-reduction measures concerning tobacco dependence and cessation

The core supply reduction provisions in the WHO FCTC are contained in articles 15-17:

1. Illicit trade in tobacco products
2. Sales to and by minors
3. Provision of support for economically viable alternative activities

Often not considered by the tobacco control community today is the concept of harm reduction, outlined in FCTC Article 1 (d): “‘tobacco control’ means a range of supply, demand and ***harm reduction strategies that aim to improve the health of a population by eliminating or reducing their consumption of tobacco products and exposure to tobacco smoke.***”

Appendix B – Largest companies by cigarette stick equivalent (CSE)

	Cigarette Stick Equivalent (mns)	% CSE	Cumulative % CSE
1 China National Tobacco Corp	2,326,519	38%	38%
2 Philip Morris International Inc	811,517	13%	51%
3 British American Tobacco Plc	774,751	13%	64%
4 Japan Tobacco Inc	538,508	9%	73%
5 Imperial Brands Plc	277,425	4%	77%
6 Altria Group Inc	168,364	3%	80%
7 Eastern Co SAE	78,214	1%	81%
8 Gudang Garam Tbk PT	74,526	1%	82%
9 ITC Ltd	62,528	1%	83%
10 Vietnam National Tobacco Corp	45,783	1%	84%
11 Djarum PT	44,237	1%	84%
12 KT&G Corp	40,312	1%	85%
13 Thailand Tobacco Monopoly	26,637	0%	86%
14 Swedish Match AB	24,544	0%	86%
15 Akij Group	18,937	0%	86%
16 Swisher International Group Inc	13,980	0%	86%
17 Nojorono Tobacco Indonesia	13,684	0%	87%
18 Société Nationale des Tabacs et Allumettes (SNTA)	12,066	0%	87%
19 Neman Tobacco Factory Grodno	11,572	0%	87%
20 Pöschl Tabak GmbH & Co KG	9,006	0%	87%
21 Scandinavian Tobacco Group A/S	8,775	0%	87%
22 Régie Nationale des Tabacs et des Allumettes (RNT)	7,771	0%	87%
23 DS Group	7,630	0%	88%
24 Liggett Vector Brands Inc	7,439	0%	88%
25 Godfrey Phillips India Ltd	7,053	0%	88%
Other	728,636	12%	100%
Total	6,140,414	100%	

Source: Foundation estimates – methodology to be detailed in future reports. In August 2018, Japan Tobacco announced that it agreed to acquire the tobacco business of Akij Group.

Appendix C – Proposed Timeline

Smoke-Free Index® Program Timeline	Start Date	End Date
Request for Proposal (RFP)		
Issue		September 13, 2018
Expression of Interest		October 15, 2018
Communication of application status		November 2, 2018
Submission of complete RFP response		December 5, 2018
Awarding of contract(s)		January 4, 2019
Project launch		January 7, 2019
Stakeholder engagement		
Listening seminars	February 1, 2019	April 15, 2019
Publication of results		April 30, 2019
Process design	February 1, 2019	April 30, 2019
Criteria development	February 1, 2019	April 30, 2019
Staffing of advisory panel & committees	February 1, 2019	June 30, 2019
Development of survey questions	May 1, 2019	June 30, 2019
Issuance of company surveys	July 1, 2019	September 30, 2019
Implementation of selected country surveys	July 1, 2019	September 30, 2019
Compilation of responses	October 1, 2019	November 30, 2019
Independent research	July 1, 2019	November 30, 2019
Draft #1		January 31, 2020
Audit		February 28, 2020
Draft #2		March 31, 2020
Audit		April 15, 2020
Final Draft		April 30, 2020
Production		May 31, 2020
Post-mortem		June 30, 2020

Source: Foundation estimates

- 1 GDB 2015 Tobacco Collaborators. Smoking prevalence and attributable disease burden in 195 countries and territories, 1990-2015: a systematic analysis from the Global Burden of Disease Study 2015. *Lancet*. 2017;389(10082):1885-1906. doi: [https://doi.org/10.1016/S0140-6736\(17\)30819-X](https://doi.org/10.1016/S0140-6736(17)30819-X)
- 2 Institute for Health Metrics and Evaluation, GDB 2016. Vizhub website. <https://vizhub.healthdata.org/gbd-compare/>. Accessed August 28, 2018.
- 3 World Health Organization. *WHO Framework Convention on Tobacco Control*. WHO website. http://www.who.int/tobacco/framework/WHO_FCTC_english.pdf. Published 2003. Updated reprint 2004, 2005. Accessed August 21, 2018.
- 4 World Health Organization. *WHO Report on the Global Tobacco Epidemic, 2017: Monitoring Tobacco Use and Prevention Policies*. WHO website. <http://apps.who.int/iris/bitstream/handle/10665/255874/9789241512824-eng.pdf?sequence=1>. Published 2017. Accessed August 21, 2018.
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