STRATEGIC PLAN

2019-2021

The Foundation for a Smoke-Free World
More than 7 million people die each year from both smoking and the use of other tobacco products. That makes tobacco products the leading cause of preventable deaths worldwide. This century, a billion people will die prematurely from tobacco, if the status quo is maintained.

We have a real opportunity and obligation to do more to reduce the long-term risks of tobacco use and support people who smoke on the road to cessation. Indeed, the requirements for transformation of the tobacco ecosystem are already in place: disruptive technologies, consumer demand, investor interest, and a few government leaders’ voices.

Disruptive technologies are available to end combustion and substantially reduce the risks associated with combustible cigarettes by decoupling nicotine from the lethal smoke. This trend Coupled with digital developments allowing users to monitor exposure and habits, innovative consumer products empower cessation and harm reduction. Most smokers, in nearly all countries, want to quit or reduce their risks, and are demanding policies and research to be developed and implemented, and their needs to be considered. Investors and the tobacco industry are reacting after seeing mature cigarette markets shrink by one-quarter in just 2 years. The list goes on.

However, misconceptions abound: smokers incorrectly view nicotine as a cancer-causing substance, our survey found e-cigarettes ranked as equally or more harmful than combustible cigarettes, etc. These misconceptions are emboldening some governments to ban harm-reduction products, and slowing down innovation.

Now is the time to address the needs of smokers. In this 3-year Strategic Plan, we highlight how we will step up the transformation of the entire ecosystem, accelerate technological disruption, bring light upon the health-related misconceptions, help vulnerable smallholder farmers transition away from tobacco, and incentivize tobacco companies to evolve faster, more decisively and voluntarily.

Join us in this unprecedented effort towards a world free from combustible tobacco – a smoke-free world.

Dr. Derek Yach
Our board-led strategic planning process is informed by data, research, and input from stakeholders and experts.

**2019-2021 Strategy**

**Introduction**

**Strategic Framework**

**Initiative Objectives**

**Further Information**

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**FSFW Launch** September 2017

**Board-Led Strategic Planning Process** May – Nov 2018

### 2017

- **Stakeholder discussions**

### 2018

- **FCTC reviews: where can FSFW contribute?**

- **Global State of Smoking survey**

### 2019

- **Health, Science, & Technology Scoping**
  - Research gaps and needs
  - Smoker vs. researcher geographic mismatch

- **Agriculture Scoping**
  Country-level studies of economic dependence on tobacco farming, and of tobacco small-holder farming structure

- **Industry Scoping**
  Studies of how industries transform from “dirty” to “clean”

- **Ongoing scoping work**

- **Board-led strategic planning process**
  - 3-year strategic plan informed by 30- and 12-year aspirations
  - Deep Board member engagement in areas of expertise
  - Formal interim reviews with entire Board
Our strategic framework is informed by a number of factors:
Our Foundation’s Purpose is

To improve global health by ending smoking in this generation

“ENDING SMOKING” means not only eliminating the use of cigarettes and other forms of combustible tobacco*, but also ensuring that vulnerable populations affected by this transformation, especially smallholding tobacco farmers, are also supported to find sustainable alternative activities.

“IN THIS GENERATION” means that by 2050, while recognizing that the pace of progress will vary by country, and that a small number of people may still actively choose to smoke.

*Recognizing that in some countries, and particularly in India, a significant amount of harm is caused by oral use of unrefined smokeless tobacco preparations. Helping users of these products to quit or reduce their risks by switching to less harmful substitutes is also in scope for the Foundation’s activities.
Smokers and tobacco farmers are our main beneficiaries. The ecosystem around them is complex, with many actors.
This ecosystem can be characterized by three overlapping spheres of activity
Health, Science and Technology

- Complement existing tobacco control efforts with a consumer-focused strategy to help smokers quit or switch to less harmful products

- Take advantage of recent technological disruptions leading to new consumer products
  - Digital tools, consumer-oriented sensors and apps that help people measure and change their behaviours
  - Separation of nicotine from tobacco and smoke

- Take advantage of advances in science and technology to drive new and better research
Agriculture

- Build new resilient agricultural economies to provide alternative livelihoods to smallholder farmers
- Diversify tobacco-dominated economies through science, technology, and innovation
- Incentivize supply through demand channels
- Change policy environment to create an enabling environment for all value chain actors
Industry

- Provide investors with a platform, metrics and objectives to positively engage a dialogue and influence the industry transformation
- Monitor corporate transformation through indexing and metrics
- Enforce accountability and encourage nicotine ecosystem transformation with ratings and rankings
- Create counter-marketing strategies
Entire Ecosystem

- Map the connections and causal links between elements of the ecosystem, and identify the most powerful for driving change
- Tailor country strategies based on smoking epidemiology, tobacco agriculture, and research and innovation capacity
- Drive ecosystem-wide initiatives, in particular gender-specific work
Most of the focus today is on a subset of the Framework Convention for Tobacco Control, and there are many gaps to cover.

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<th>Global focus level</th>
<th>Where support is needed beyond MPOWER</th>
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<td>16 – Sales to and by minors</td>
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<td>17 – Support alternative activities</td>
<td>MPOWER</td>
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<td>18 – Protection of environment</td>
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<tr>
<td><strong>Part VII + VIII</strong></td>
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<td>Industry</td>
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<td>Science and Technology &amp; Finances</td>
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<td>20 – Research and collaboration</td>
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<td>21 – Report, share information</td>
<td>MPOWER</td>
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<tr>
<td>22 – Scientific, technical, legal coop.</td>
<td>MPOWER</td>
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**LEGEND**
- **MAJOR FOCUS**
- **PARTIAL FOCUS**
- **GAPS: AREAS WITH SUPPORT NEEDED BEYOND MPOWER**

**NOTE** Current Global focus covered by MPOWER and supported by WHO, Bloomberg Philanthropies, Campaign for Tobacco-Free Kids and others.
We have determined our guiding principles and how we will differentiate ourselves from other philanthropies

1. **Freedom to Partner**
   - We work with any entity or constituency with relevant expertise or experience

2. **Freedom to Focus**
   - We focus our resources on countries and populations with the greatest need

3. **Long-Term Commitment**
   - We preferentially fund research centers and global networks to lead at-scale programs

4. **Commitment to Capacity Strengthening**
   - We require our grantees to strengthen research capacity and implementation capacity in the countries where most smokers live
Our strategic framework has three main areas of work, with clear long-term (30-year) goals for each:

**30 YEAR GOAL FOR**

**Entire Ecosystem**

Cigarettes a marginal product

**30 YEAR GOAL FOR**

**Health, Science and Technology**

Smoking prevalence nearing 0%

**30 YEAR GOAL FOR**

**Agriculture**

Farming livelihoods improved, transitioned away from tobacco; new value chains fully developed.

**30 YEAR GOAL FOR**

**Industry**

Global cigarette revenue at a fraction of 2018 revenue

THE ENABLERS

- Operations (Grant Making / Talent)
- Finance (Funding / Fund mgmt)
- Governance (incl. risk management)
- Communications and Marketing
## Our 3-year objectives

### Health, Science and Technology
- Multi-year research programs underway, with output published and being used to inform policy and regulations
- Research centres established in priority countries, strengthening local research capability and attracting new talent
- Investment vehicles operational and funds deployed for cessation innovation and improving access to cessation and reduced-risk products
- First issues of country-level tobacco & nicotine atlases, used by policy-makers, researchers, and other stakeholders

### Agricultural Transformation Initiative
- Viable models ready to be scaled, based on pilots and new investment mechanisms
- Centre for Agricultural Transformation created with active researchers
- Grants awarded, with new tobacco-specialised and local scientists joining
- Some policy reforms in action, with legislation drafted
- First improved nutritional outcomes, improving national food security indicators

### Influencing Industry
- First issues of the Smoke Free Index © live, with top 15-25 global companies surveyed
- Engagements with Institutional Investors, first drafts of engagement strategies and oversight measurement objectives
- Reviews of indexing outputs with investors/policy makers and industry
- First structured investors engagements with tobacco industry, communicating through right platforms
- Initial counter-marketing campaigns underway based on index data

| Ecosystem-Wide Initiatives | Foresight map completed with variables, causal links and scenario modelling | State of the art reports on national smoking markets published, mapping current players and options for innovative and more rapid change | Early stage of the Foundation’s activities coordinated in key countries | Key global partnerships in place, with segmented and prioritized communication messages |
Health, Science and Technology Our Workstreams

**Research and Capacity Building**
- Answer stakeholders’ main questions around perceptions, products and policies
  - Fund major, multi-year grants to research institutions
  - Apply a broad range of techniques, varying approaches
  - Strengthen local capacity by establishing research centers where most smokers live
  - Draw research talent from outside traditional tobacco control fields

**Innovation for Cessation and Harm Reduction**
- Develop and improve access to highly effective smoking cessation tools
  - Deploy innovation investment vehicles to support development effective cessation products/services
  - Design solutions to improve access affordable cessation and reduced-risks products to low income populations

**Data and Analytics**
- Create country atlases covering all aspects of tobacco and nicotine use
  - Cover data gaps, e.g., in cessation rates and in public and professional perceptions of different nicotine products
  - Bring together timely data on epidemiology, legal and regulatory environment, product availability, and public and professional perceptions
  - Produce annual reports for key countries
# Agricultural Transformation Initiative

## Our Workstreams

<table>
<thead>
<tr>
<th>Economic Diversification</th>
<th>Innovative Agricultural R&amp;D</th>
<th>Policy Development</th>
</tr>
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<tbody>
<tr>
<td>Support globally competitive market supply and foster bridge to market demand, including diversifying away from farming</td>
<td>Foster long term change by building local R&amp;D capacity</td>
<td>Work with policymakers to develop a national agricultural policy execution strategy</td>
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### Activities

**Economic Diversification**

- **Identify the main barriers** facing smallholder tobacco farmers
- **Identify alternative value chains** with ready or increasing demand
- **Assess industries adjacent to agriculture** that would enable a sustainable transition
- **Assess innovative business models** enabling diversified livelihoods

**Innovative Agricultural R&D**

- **Identify science and technologies** able to address major barriers to innovation
- **Conduct research** and innovative agricultural pilots
- **Build local capacity in R&D** through a Centre for Agricultural transformation
- **Improve food security** to enable farmers to shift away from tobacco

**Policy Development**

- **Establishing mechanisms and capacity** for policy reform
- **Map policy** point of departure
- **Deliver foreign direct investments** in a safe, supportive environment
- **Provide evidence-based policy guidance** for farming and economic models
# Influencing Industry

## Our Workstreams

<table>
<thead>
<tr>
<th>Industry/Company Indices</th>
<th>Advocacy for Industry Transformation</th>
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<tbody>
<tr>
<td>Transform the entire global tobacco industry and nicotine ecosystem by providing structured data and metrics evaluating stakeholder behaviours and progress through the Smoke-Free Index©</td>
<td>Attain a high level of engagement between institutional investors and tobacco industry, accelerating the transformation and using the Smoke-Free Index© as facilitation tool</td>
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- Provide investors with metrics and oversight objectives to engage industry players
- Create a direct relationship between a company’s transformation and shareholder value
- Provide quantifiable evidence of how companies are addressing industry transformation through clear and transparent metrics
- Publish annually a Smoke-Free Index© report, with our findings, evaluations and assessments

- Engage Institutional Investors and create engagement strategies and oversight measurement objectives
- Review indexing outputs with investors, policy makers and industry
- Facilitate investors engagement with tobacco industry, communicating through right platforms
- Maintain heatmap of most impacted populations, identifying and tracking the various types of industry messages to build counter measures for
## Ecosystem-Wide Initiatives

### Our Workstreams

<table>
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<tr>
<th>Smiling Foresight Map</th>
<th>Country Strategies</th>
<th>Strategic Partnerships</th>
<th>Gender Strategies</th>
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<tbody>
<tr>
<td><strong>Strategic objective</strong></td>
<td>Provide a holistic view of the players, factors, actions and outcomes impacting smokers</td>
<td>Integrate approaches in key countries across our three main areas of work: HST, ATI, and Industry</td>
<td>Broaden and strengthen the Foundation’s impact through partnerships</td>
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<tr>
<td><strong>Activities</strong></td>
<td>• Provide a unique and novel representation of smoking with the potential to transform society’s understanding of the problem</td>
<td>• Develop country-specific foresight maps</td>
<td>• Fund best-in-class entities delivering on elements of our intended impact</td>
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<td>• Enable targeted and high-impact interventions</td>
<td>• Identify and execute on synergies across initiatives</td>
<td>• Team up with partners where our combined capabilities unlock better outcomes</td>
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<td>• Measure and analyze the influence of drivers</td>
<td>• Coordinate and sequence activities</td>
<td>• Foster gender-specific innovation research and consumer products solutions</td>
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Early draft of Foresight map for smoking
Ecosystem-Wide Initiatives:
Country-specific strategies will be informed by each country’s situation

[ India example ]

Smokers
225-300M tobacco users
Low risk perception, with tobacco use common in children

Doctors + Health Professionals
~20 cessation centres in a country of ~300M tobacco users
Untrained medical professionals, knowledge gaps in risk perception

User/Advocacy groups:
No coordinated national user groups

Investors
Government holding 10% stake in ITC

Cigarette Makers
Second largest global tobacco producer
Low production and processing costs
Advantageous agro-climatic conditions

Researchers
Research neglected as considered regional, too diverse and complex (>100 languages)
No research centres on tobacco harm nor harm reduction solutions

Regulators, Policy-Makers
No risk-proportionate regulation
Bans and advisories against reduced harm products, based on bad/no science

Farmers + Tobacco Processors
Deep agricultural dependence, farmer issues have strong political sway
Green tobacco sickness, a poisoning, frequent in tobacco farmers
Ecosystem-Wide Initiatives:
We will work to address gender issues across the entire ecosystem

**Smokers**
- Apply a gender perspective on stakeholder engagement, research, and implementation strategies
- Clarify the implications by gender of secondhand smoke

**Doctors + Health Professionals**
- Communicate gender-specific insights to specialised health professionals
- Communicate gender-specific smoking prevention and harm reduction strategies

**User/Advocacy groups:**
- Highlight women advocates in communications
- Partners with gender-specific organizations

**Investors**
- Encourage investors to prioritize companies with gender-focused products and strategies
- Incorporate gender-based discrimination, pay inequality, and harassment in investor KPI sets

**Regulators, Policy-Makers**
- Support research on gender related policies and prevention strategies

**Researchers**
- Collect sex-disaggregated data
- Integrate gender aspects into research design

**Farmers + Tobacco Processors**
- Understand women’s role in tobacco value chain
- Measure women’s social and economic disadvantages when considering tobacco diversification options

**Cigarette Makers**
- Support design and marketing of harm reduction and smoking cessation technologies that meet women’s’ needs
We are developing world-class enablers to support our strategic areas of work

**Operations**
We will build a best-in-class Grant Management capability

We will attract, develop and retain the Best Talent in the philanthropy, corporate, government and academic domains

**Governance**
We have a strong Board of Directors

We are committed to transparency and open science

**Communications**
We will develop a leading Stakeholder Engagement tool
Our activities to date across the ecosystem

- Conducted **International Smokers Survey** with 18,000 smokers and Face-to-face smoker Interviews
- Funded research center focus on indigenous populations, based in New Zealand
- Funded research **scoping projects** across 4 continents
- Launched **$9M request for proposals on Biomarkers of Exposure**, and granted scoping funding to 5 applicants
- Published preliminary **Health, Science and Technology research agenda**
- Launched **Smoke Free Index** © RFP in September 2018
- Attended symposium on **Industry disruption** in Hong Kong
- Commissioned and published global landscape of current and in-development tools for **smoking cessation**
- Published **analysis of industry transformation case studies** relevant to achieving smoke-free world
Our Board of Directors

ZOE FELDMAN
Entrepreneurship and innovation financing
USA

DYBORN CHIBONGA
Agricultural transformation, country expertise: African cluster
Malawi, Mozambique

CORINNA LATHAN
Biomed R&D, consumer tech. products
USA

PAUL GARDNER
Global communication and marketing
Australia

NORIKO TOJO
Biomed R&D and consumer insights
Japan

MARTIN SKANCKE
Global strategy and investments
Norway

PAMELA PARIZEK
Risk management and governance
USA

DARSHITA GILLES
Country expertise: India, emerging technologies
India, UK
How to get involved & upcoming events

**GET IN TOUCH TO:**

- ✓ Learn about our Research Agenda
- ✓ Apply for Research Funding
- ✓ Discuss External Funding
- ✓ Partner on Strategic Initiatives
- ✓ Tell us what you think we should be funding
- ✓ Participate in Foresight Process

**UPCOMING EVENTS**

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<th>OCTOBER</th>
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<th>JANUARY</th>
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<td>Smoke-Free Index contract award announcement</td>
<td>Symposium on accelerating innovation for cessation</td>
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<td>Center for Agriculture Transformation lead award</td>
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The foundation is fully independent from its funding sources

As of October 2018, our core funding is provided by Phillip Morris International

We developed a set of measures to guarantee independence from our funding sources

- Independent Board and leadership
- PMI pledge agreement excludes it from any type of influence
- No restrictions on activities, including ones critical of tobacco industry
- In line with criteria on accepting tobacco industry funding
- Peer-reviewed, Open Research
- US IRS Independent foundation status

SOURCES


