

DECEMBER 2020

# Post-Publication Review Summary

REVIEW DOCUMENT



## Objectives & Approach

This document is a post-publication review and summary of the first edition of the Tobacco Transformation Index, released in September of 2020. The objective of the review was to evaluate the Index's strengths and weaknesses, and explore threats and opportunities so the second edition, due in September of 2022, is further enhanced.

The review process included careful evaluation of external responses, media coverage, and website traffic to date, as well as in-depth interviews with members of the project team, the Advisory Panel, and selected external stakeholders. The review team spoke with a total of 34 individuals listed below:

- **Project Team**
  - FSFW staff and third-party consultants (13)
- **External Advisors/Stakeholders (21)**
  - Advisory Panel members (4)
  - Investors, analysts (6)
  - Health and tobacco harm reduction advocates (7)
  - Corporate responsibility experts (4)

## Key Insights & Recommendations

The sections below summarize key discussion points and recommendations gleaned from the interviews plus the project team's subsequent discussions and analyses. Feedback is organized into four categories that reflect the way the Index Initiative was designed and can be understood.

- **Program Design** – overall objective(s), framing, theory of change, funding and governance, operating model.
- **Development Process** – design and implementation of key development steps including stakeholder consultations, industry consultations, the Index Advisory Panel, methodology development, research and analysis, reporting, communications, project management, etc.
- **Index Design** – the issues and topics the Index covered, indicators, and key methodological approaches.
- **Dissemination** – outputs (reports, website, etc.), and activities to increase the use and impact of the Index.

Within each category, feedback is summarized in terms of what worked well, what issues or challenges still need to be addressed, and specific ideas or recommendations to consider for future editions. At the end of each section, stakeholder quotes provide additional dimensions and underscore key issues.

## Program Design

Stakeholders generally praised the Index for establishing an effective proof of concept with the potential to meaningfully influence and support tobacco companies and other stakeholders in relation to industry transformation and harm reduction. Many stakeholders encouraged the Index to continue to refine its purpose, brand, audience, and theory of change. They also thought its perspective on some of the challenges and controversies surrounding tobacco harm reduction should be clarified so its impact and usefulness increases, and it eventually becomes a recognized instrument of change in the tobacco industry.

Stakeholders also saw the Foundation's funding and its lack of other credible governing partners as challenges that needed to be addressed. The majority recognized that, while both issues will take time to resolve, they should not be neglected, and they wanted the Index to continue its work in the interim.

### Key recommendations for enhancing program design included:

- Making key Foundation personnel the Index's thought leaders and guides and increasing their involvement and visibility.
- Continuing to sharpen the definition of the Index's purpose, brand, audience, key messages, etc.
- Increasing stakeholder engagement to validate key assumptions and approaches, and to better understand the interests and needs of key constituencies.
- Expanding or modifying the Index's theory of change to better address different company types, geographies, and/or stakeholder groups.
- Prioritizing efforts to build partnerships and diversify Index funding.

### Quotes on Program Design

*"I think, the way the Index is presented, it could have come from the Gates Foundation. This was the right way to do this index, no matter the funding."*

*"A lot of exercise has gone into establishing the Index as a fairly objective and trustworthy instrument."*

*"I'm very much in favor of indices and measurement. Companies do respond to rankings. They really do. If you aren't tracking it, people won't pay attention."*

*"This is the first time, from a constructive place, that an index has been done in this space. Anything done to this level, with these very high standards, should be a good stepping-stone for future improvements."*

*"If you've got a handful of significantly sized mainstream investors thinking this is useful and willing you to do it again, then that is the lever that would make the most difference."*

## Development Process

Participants took note of the thoughtful, comprehensive process used to develop the Index – in particular, the considerable time and effort invested in stakeholder consultations, the extensive engagement of the Index Advisory Panel, and the research and analysis undergirding the Index.

Stakeholders and members of the Advisory Panel commented that they felt they were able to express their points of view freely and that the Index team listened and took their feedback into account. Looking forward, many of them encouraged the Index to engage with more, and more geographically diverse, participants with different kinds of expertise. Several contributors also thought it would be useful to establish a formal expert review committee or similar technical body to guide Index development.

Several participants applauded the Index for its efforts to inform and consult with the tobacco companies, and for its careful, transparent approach to doing so, even though few companies took advantage of the opportunity. Participants encouraged the Index to keep trying, and they suggested that Index staff members tailor their approach for each company and present options that fit the company's unique characteristics, concerns, and cultural context.

Members of the Index team mostly praised how smoothly things went, the sheer amount of work that was accomplished, and the fact that it was accomplished on time and to a relatively high standard despite the many challenges and setbacks that occurred. However, team members also cited opportunities to learn from experience to ensure a more efficient and effective process in the next round.

### Key recommendations for enhancing the development process included:

- Consult with more stakeholders and more diverse stakeholders and increase the sophistication of the dialogue.
- Prioritize further outreach to institutional investors, asset managers, analysts, and information providers to learn how they can use the Index,
- Increase the size and diversity of the Index Advisory Panel and supplement it with a formal technical panel.
- Prioritize communications to make sure communications activities exist, and service providers participate, in all parts of the project.

### Quotes on the Development Process

*“What we did was a really good piece of work up against so many obstacles and setbacks. What I saw in the final analysis was largely what we set out to achieve.”*

*“You really followed the process and there was a willingness of people involved to listen and include comments.”*

*“I was extremely impressed, especially in a pandemic, that basically the deadlines that were set were all met, and that the different players' roles and responsibilities were religiously followed.”*

*“Given the scale and significance of the project, try and improve the quantity and diversity of people on the Panel, because I think it makes a huge difference.”*

## Index Design

Stakeholders, for the most part, praised the detail and rigor of Index methodology, and thought it was especially impressive for a first publication. A number of investors and other industry watchers said the results were well aligned with their understanding and perspective on the different companies, and that the methodology did a good job of highlighting the issues and questions that interest stakeholders when they talk about industry transformation and tobacco harm reduction.

Although participants had many ideas about what should go into future editions of the Index, a few issues were viewed as particularly important. The first was making sure that the regulations, geographical issues, and context of the countries are considered when non-U.S. companies are evaluated. Others were noting the differences in the ways marketing, lobbying, and other behaviors are addressed in different countries; determining whether a company's efforts translate into reduced harm to end users; and ensuring that the Index provides data and analysis that suit the needs of its target audiences.

### Key recommendations for Index design included:

- Ensure that overall design and framing recognizes and respects the scope of what a company can do, given the countries in which it operates and the countries' regulatory, demographic and geographic issues.
- Consider developing sub-indexes and differentiated indicators to better capture the nuances of different types of companies more fully (i.e., public, private, state-owned).
- Develop indicators and scoring approaches that look at the net effect of company efforts, such as comparisons of market shares, the total number of users in the market, and the market size of different products.
- Increase the sophistication of indicators that refer to responsible marketing and lobbying practices.
- Implement third-party verification of selected data and/or scoring processes.

### Quotes on Index Design

*"It is a great effort and lays the groundwork for ongoing monitoring and updating of measures. Really good stuff!"*

*"The way the index has been presented... you've covered the topics that need to be covered."*

*"The language and content come across as tough on companies, but measurement could be made tougher."*

*"You are attributing to companies more control over consumer behavior than they actually have."*

*"The major influencers of tobacco harm reduction are governments. If you are attempting to rank and name and shame and cajole the companies, you need to show what they offer where they are allowed to offer it. If XYZ is legal in a country but they're not offering it, why? What are you doing in countries where you have combustibles?"*

*"There is a continuing challenge in dealing with the fact that the companies need to operate within regulatory frameworks. So maybe there is a way to discount the marketing and R&D, etc. spending based on what is possible? After all, putting money into marketing banned products is not only wasteful but could be illegal."*

## Dissemination

Stakeholders complimented the clarity of the language and overall tone of the Index report and the other documents that were presented. They also appreciated that the Foundation highlighted the general lack of progress in harm reduction and was willing to say that even the highest-ranking companies should be doing more. A number of participants expressed disappointment about outreach efforts so far, saying more work needs to be done to ensure that key audiences are aware of the Index and make use of it.

### Key recommendations for dissemination included:

- Provide quick snapshots of data on the website by company and category and include key essential messages.
- Publish more material directly on the website. Make this material easily searchable and crosslink it to help users navigate more easily between related topics.
- Publish a clear project roadmap for stakeholders that helps them understand and anticipate key steps in the Index creation process.
- Make sure that the schedule allows enough time to prepare key materials and communicate essential messages ahead of launch.
- Build stronger processes for strategic planning, rollout, response to criticism, etc., and increase the resources that are available to these sections of the project.
- Ensure that future launches are supported by a more comprehensive suite of activities and materials, including press conferences, webinars, infographics, more interactive data dashboards, etc.
- Consider how to make ranking more provocative to elicit more response.
- Tailor index research and key messages to suit the geographical and cultural contexts of the countries involved.

### Quotes on Dissemination

*“I’m very impressed with the products. They’re solid with a lot of useful information and, in that respect, I think they probably surpassed my expectations.”*

*“The tone creates the space so people think of it more objectively than they would otherwise. When you provide analysis of actions or lack of actions of various actors, this is very good. It makes for good reading and reference and triggers thoughts of what could happen.”*

*“There are uncomfortable truths that have to be said, and you wrote them very well.”*

*“The companies will care if and when other people care.”*