



**TOBACCO
TRANSFORMATION
INDEX**

2022 Index

Executive Summary

September 2022

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Transformation of the tobacco industry toward harm reduction remains inconsistent and in its early stages. That said, the 2022 Index demonstrates that *differentiation* is forming across the largest tobacco companies, related to measures of commitment, performance, and transparency. Based on the 2022 Index results (Figure 1), Index Companies are coalescing around five broad clusters associated with patterns of behavior:

- I. Strategic commitment & execution
- II. Limited strategic commitment & execution
- III. No strategic commitment but limited execution
- IV. Potential for change
- V. No indication of change

The 2022 Index also demonstrates that *momentum* toward tobacco harm reduction is developing across a subset of the 15 Index Companies, albeit at varying degrees.

Figure 1: 2022 Index Overall Scoring

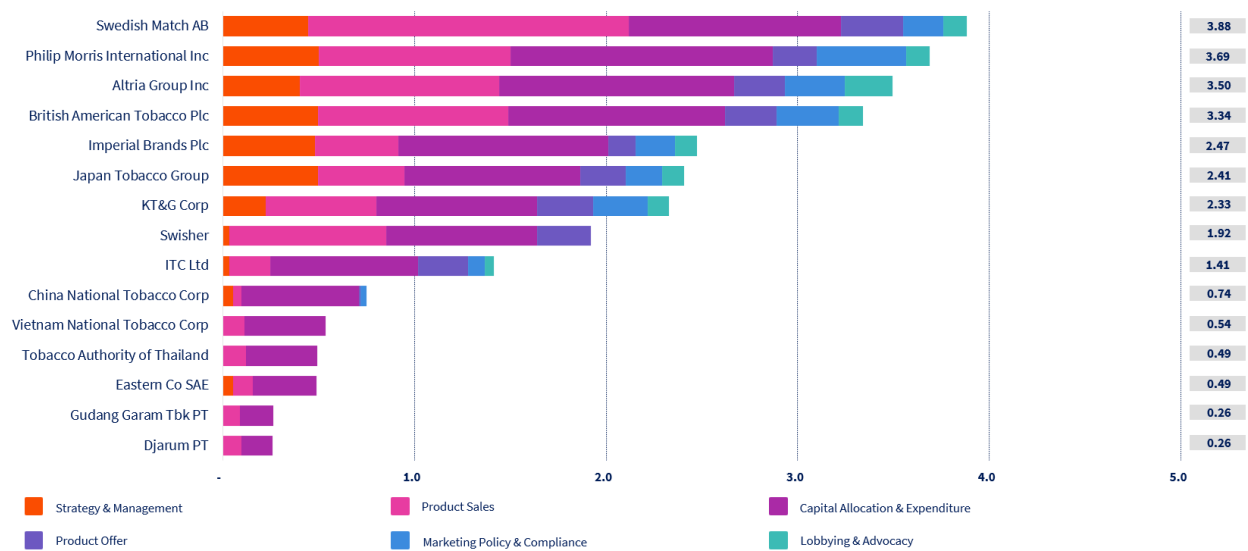





Figure 2: 2022 Index versus 2020 Index* Ranking Comparison

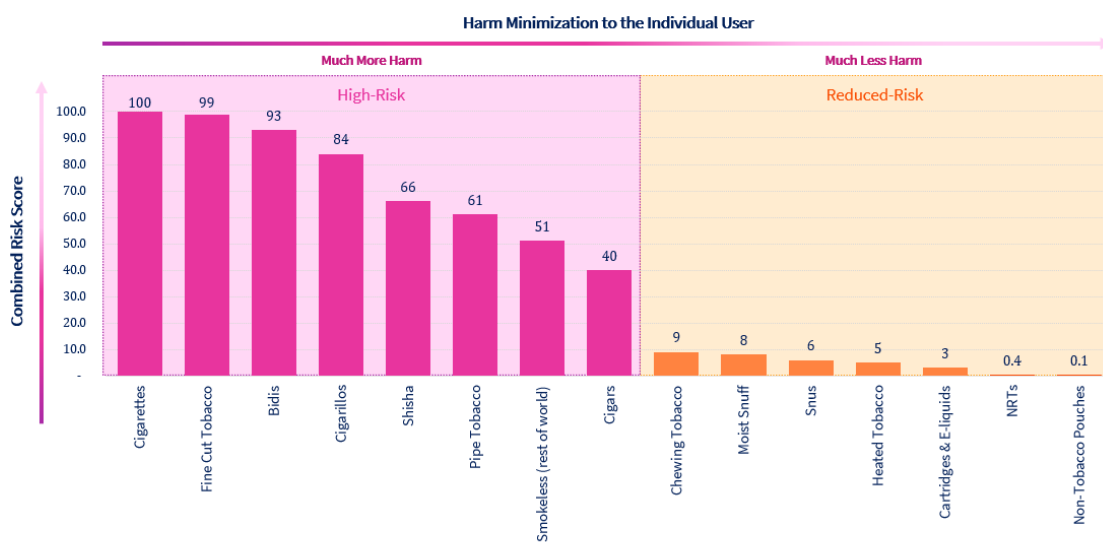
Index Companies	2022	2020
Swedish Match AB	1	1
Philip Morris International Inc	2	2
Altria Group Inc	3 	4
British American Tobacco Plc	4 	3
Imperial Brands Plc	5	5
Japan Tobacco Group	6	6
KT&G Corp	7	7
Swisher	8	8
ITC Ltd	9	9
China National Tobacco Corp	10	10
Vietnam National Tobacco Corp	11 	12
Tobacco Authority of Thailand	12 	11
Eastern Co SAE	13	13
Gudang Garam Tbk PT	14	14
Djarum PT	15	15

Notes: 1. *2020 Index score and rank restated based on 2022 Index methodology changes. See Index Methodology.
 2. An arrow upwards means an Index Company has improved its ranking in the 2022 Index; an arrow downwards means the reverse.

The six key findings of the 2022 Tobacco Transformation Index are:

1. The tobacco industry has not phased out High-Risk Products (HRPs) or transitioned smokers to Reduced-Risk Products (RRPs) quickly enough to achieve the goal of ending smoking in this generation. Performance differs by Index Company, and inconsistent progress was made over the 2019-2021 review period.
2. Index Companies continued to focus most of their RRP efforts on HMICs.
3. The majority of Index Companies have not made any commitment to tobacco harm reduction.
4. Several Index Companies regressed or made no progress over the 2019-2021 review period.
5. Over the 2019-2021 review period, a few Index Companies indicated a potential future shift in their position on RRP. Time will tell if transformation comes to fruition.
6. There is currently limited transparency in terms of Marketing policies and Lobbying practices.

Figure 3: 2022 Relative Risk Assessment Applied to Product Sales and Product Offer



Source: Murkett, R., Rugh, M., Ding, B. (2022). *Nicotine Products Relative Risk Assessment: An Updated Systematic Review and Meta-analysis, Produced for the Foundation for a Smoke-Free World.* London, UK: Biochromex.

The Index methodology evolved in two ways in the 2022 Index, with the objective of strengthening its effectiveness while maintaining comparability. First, three incremental changes were applied to the Index methodology, based on stakeholder feedback and further research, which were disclosed, made available for public comment, and reviewed via webinar.

Second, the indicator scoring approach was changed from linear scale to logarithmic scale, the latter being a statistical technique commonly applied to data sets, to enhance Index ranking responsiveness, differentiation, and visibility associated with often skewed data and incremental changes in the metrics. 2020 Index results have therefore been restated for full comparability.

In addition, following an updated meta-analysis of the latest scientific literature, the Relative Risk Assessment (Figure 3) was updated for the 2022 Tobacco Transformation Index. When compared with the 2020 Index, chewing tobacco and moist snuff are now re-categorized as RRP.

See the Index Methodology for full details of each of the changes.

In addition to the Index Methodology, the following supporting documents are available to download via the Tobacco Transformation Index website¹:

- Excel file compiling all quantitative data points mentioned in the ranking report

¹ www.tobaccotransformationindex.org

- PowerPoint file containing all report visuals contained in the ranking report

Figure 4: Index Workflow

