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Stakeholder Consultation Report



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Introduction

This report provides an overview of Tobacco Transformation Index (“Index”) stakeholder engagement conducted during the Second Index Cycle (2021-2022), which culminated with the release of the 2022 Index.

A description of the initial global stakeholder consultation, associated with the First Index Cycle (2019-2020), can be found in the [Stakeholder Consultation Report – March 2020](#).

Stakeholder engagement is critical to the evolution of the Index as it works to achieve the goal of transforming the tobacco industry for the purpose of reducing harm to public health. Second Index Cycle stakeholder engagement was informed by the initial global stakeholder consultation, conducted in 2019, and by reviews of process and areas of emphasis with the [Index Advisory Panel](#).

As stakeholder consultation has shown, the smoking and tobacco epidemic is complex, the range of stakeholders and issues is wide, and the achievement of Index goals requires focus and evolution. The same factors hold true for stakeholder engagement.

The continued evolution of stakeholder engagement approach and process will be an important element of the Third Index Cycle (2023-2024).

We are grateful to all stakeholders who responded to our invitation to engage, and to those who provided comments, feedback, and questions within the formal engagement process.



David Janazzo
Interim Co-President
Foundation for a Smoke-Free World

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Focus Areas and Outreach

1. Stakeholder Engagement and Index Evolution

Second Index Cycle engagement was narrowed to focus primarily on three areas of Index evolution:

- Index design, related to investor decision-making as a driver of change;
- Index structure and project management; and
- Index stakeholders and impact.

Updates on [Index Methodology](#) were developed by the Index Research Partner, Euromonitor International. In summary, the 2022 Tobacco Transformation Index incorporated targeted modifications related to feedback received through prior stakeholder engagement.

Index Research Partner engagement with Index Companies was conducted separately and described in separate [reports](#).

1.1 Index Design and Investors as Drivers of Change

Engagement consisted of a series of webinars addressing Index methodology, reporting, and evolution:

- [Post-publication review](#) of the First Index, completed in December 2020, looked at internal processes and external engagement as a precursor to initiation of the Second Index Cycle;
- Three [stakeholder dialogues](#), conducted between May and July 2021, reviewed the role and potential value of the Index regarding investor decision-making as a key driver of tobacco industry transformation; and
- [Program update](#), conducted in June 2022, presented the preliminary 2022 Index Methodology.

1.2 Index Structure and Project Management

Regarding Index structure and [project management](#), engagement included a series of meetings with the Index Advisory Panel. The Panel's role is to provide independent, non-technical insight and non-binding advice on the evolution of the Index and to publish a [Panel Statement](#) at the end of each Index Cycle.

An enhancement made during the Second Index Cycle was the establishment of the Technical Committee, composed of investor analysts, to support the Index Research Partner and engage with the Index Advisory Panel. The Technical Committee also published a [statement](#).

1.3 Index Stakeholders and Impact

We considered recommendations made by stakeholders during the initial global stakeholder consultation and subsequently narrowed engagement to prioritize Index impact on investor decision-making as a practical and effective driver of change.

At the same time, we issued preliminary Index research reports for public comment and continued to seek opportunities under COVID-19 conditions to engage with wider stakeholder groups, including researchers and opposing stakeholders.

We engaged with researchers, including academic researchers and scientists, who are interested in the relationship between nicotine and tobacco products and tobacco harm reduction.

The Foundation also reached out to opposing stakeholders—that is, those who do not share its views on the potential of science to deliver the reduction of harm to public health, and on the materiality of the potential role played by the tobacco industry.

During the Second Index Cycle, we specifically reached out to eight opposing stakeholders. As a result, Stopping Tobacco Organisations and Products (STOP) personnel at the University of Bath issued an “alert,” rejecting the approaches and encouraging all tobacco control and public health colleagues in its network to do likewise.

Finally, we reached out to journalists with an interest in the tobacco industry.

2. Industry Consultation

The Index Research Partner consulted Index Companies, requesting their participation on a voluntary basis. Index Companies were given the opportunity to review and comment on the preliminary 2022 Index Methodology and the underlying data compiled during the research phase related to the individual company. Six of 15 Index Companies replied to the invitation to engage.

[Industry Engagement reports](#) document the timing, nature and content of interactions with tobacco companies, as well as Index Company feedback and response.

3. COVID-19 and Engagement

Under COVID-19 conditions, Second Index Cycle engagement was primarily conducted through virtual formats:

- Group reviews and dialogues were conducted as webinars; and
- Contact was maintained with approximately 300 colleagues, primarily investors and researchers, through email associated with the Index [mailing list](#). The mailing list function provided recipients with written updates and invited comments.

4. CLOSING REMARKS

Stakeholder engagement and the related evolution of the Index are at the core of Index impact.

The Foundation remains committed to open and ongoing dialogue with all stakeholders. We are grateful to all who engaged during the Second Index Cycle.

We will continue to report on progress throughout future Index Cycles. We welcome questions, comments, and feedback on the Tobacco Transformation Index at <https://tobaccotransformationindex.org/get-in-touch/>.