



ANNUAL REPORT 2018



APRIL 2017 - MARCH 2018





TABLE OF CONTENTS

FROM OUR PRESIDENT // 4

U.S. PROGRAMS // 6

GLOBAL PROGRAMS // 10

GLOBAL HEALTH ADVOCACY INCUBATOR // 14

TOBACCO INDUSTRY WATCH // 18

YOUTH ADVOCACY PROGRAMS // 21

FINANCIALS // 26

BOARD OF DIRECTORS // 28

WAYS TO GIVE // 29



The Campaign for Tobacco-Free Kids and the Tobacco-Free Kids Action Fund are the leading advocacy organizations working to reduce tobacco use and its deadly consequences in the United States and around the world. The Campaign for Tobacco-Free Kids is a 501(c)(3) nonprofit organization. The Tobacco-Free Kids Action Fund is a 501(c)(4) nonprofit organization separate from, but affiliated with, the Campaign for Tobacco-Free Kids.

Through strategic communications and policy advocacy campaigns, the Campaign for Tobacco-Free Kids and the Tobacco-Free Kids Action Fund work to change public attitudes about tobacco and promote proven policies that are most effective at reducing tobacco use and save the most lives. The two organizations work closely together to achieve the greatest impact.

FROM OUR PRESIDENT

ACROSS THE UNITED STATES AND AROUND THE WORLD, THE 2017-2018 PERIOD COVERED BY THIS REPORT SAW ACCELERATING PROGRESS IN THE FIGHT AGAINST TOBACCO.

In the U.S., youth smoking rates fell to record lows, marking significant progress in the fight to end cigarette use and nicotine addiction among kids. Worldwide, cigarette sales fell for the fourth straight year, and countries from India to Russia to Ukraine made important gains. Nevertheless, despite our many achievements, true challenges lie ahead - Big Tobacco continues to produce new products to target young people and to deceive the public about the real dangers of their products.

Thanks to the advocacy efforts of the Campaign for Tobacco-Free Kids, U.S. youth smoking rates fell to just 8 percent, a 71 percent drop since 2000. This represents monumental progress in the fight to end tobacco use among children. Adult smoking rates, which were once over 42%, dropped to 14%. At the same time, new tobacco products threatened to reverse our historic progress. We saw the emergence of a new youth craze in the form of Juul, a sleek, easy-to-hide e-cigarette that looks like a flash drive, comes in sweet flavors, and delivers massive doses of nicotine. Educators and news media reported widespread Juul use in middle and high schools. The Campaign for Tobacco-Free Kids and our partners confronted this new challenge head-on and pushed the U.S. Food and Drug Administration (FDA) to take strong action to ensure that Juul and other e-cigarettes do not reverse our decades of progress.

We also continued to urge the FDA to exert its authority over tobacco products in other ways, including pushing for graphic warnings on cigarette packs, a ban on menthol and other flavored tobacco products, and development of innovative new products to help smokers quit.

The movement to raise the tobacco sale age to 21 also continued to gain momentum with support from the Campaign for Tobacco-Free Kids and our partners. At the end of this report period, five states - California, Hawaii, Maine, New Jersey, and Oregon - and more than 300 cities and counties have passed Tobacco 21 laws, with more joining all the time.

Prohibitions on flavored tobacco products have also moved forward during this report period. The San Francisco Board of Supervisors voted to end the sale of flavored tobacco products, including menthol cigarettes, becoming the first major city to do so. Other cities, including Oakland, Minneapolis, and St. Paul, also adopted restrictions.

Beyond the U.S., we continue to make historic gains as a proud partner with the Bloomberg Initiative to Reduce Tobacco Use and the Bill and Melinda Gates Foundation's efforts to reduce tobacco use in Africa.

Since its inception over ten years ago, our global tobacco control work has made monumental progress towards reducing tobacco use around the world. Notably, after rising for decades, global cigarette sales have now dropped for four years in a row (2013-2017). Recent surveys also show declines in tobacco use in several countries that have adopted strong policies, including India, the Philippines, Russia, and Ukraine. The Campaign for Tobacco-Free Kids has supported policy efforts in these countries through the Bloomberg Initiative to Reduce Tobacco Use.

Thanks to generous support from The Bill and Melinda Gates Foundation, the Campaign for Tobacco-Free Kids was able to establish a grants program in Africa to advance tobacco control policies. We partner with on-the-ground stakeholders and organizations working to advocate for and implement smoke-free policies, restrictions on tobacco advertising, and more.

Throughout the past year, more countries have acted to strengthen tobacco taxation policies to drive down smoking and tobacco use, including Indonesia and Ukraine. Tobacco tax policy change in Ukraine has been particularly impressive. With the exception of a single year, the government has imposed tobacco tax increases each year for the past decade. Moreover, in 2017, the government approved a 30% increase

in excise taxes and a plan for increasing taxes on cigarettes by at least 20% annually for the next seven years.

This year we have also seen several groundbreaking legal victories. In a landmark ruling, Brazil's Supreme Court upheld a world-first regulation banning tobacco product additives, including all flavors. Tobacco companies stalled implementation of the regulation through litigation for six years, taking advantage of the delay to flood the Brazilian market with "flavor capsule cigarettes."

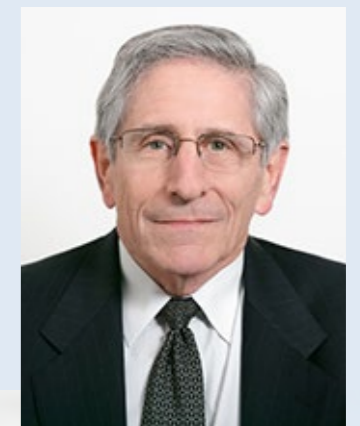
Furthermore, more and more countries are mandating that cigarettes be sold in plain packaging, free of colorful logos. During the reporting period, Ireland, Norway, and New Zealand began implementing plain packaging laws while France and the United Kingdom joined Australia in completing implementation of their laws.

Based on our successes in tobacco control and our deep understanding of how to affect meaningful policy change, the Campaign for Tobacco-Free Kids launched the Global Health Advocacy Incubator (GHAi) in 2014 as a means to support and strengthen advocates working on a variety of public health issues across the globe. GHAi is comprised of a multidisciplinary team of policy experts who provide capacity building and technical assistance to civil society organizations who advocate for improved public health policies. This past year, GHAi's team worked on a range of critical public health issues, such as improving road safety, reducing the childhood obesity epidemic and supporting maternal and reproductive health, in countries all across the world from the Philippines to Vietnam to Tanzania.

Despite our gains, the battle is far from over. The tobacco industry continues to fight us at every step, deploying an army of lobbyists, lawyers, front groups, and an array of new products. However, this only strengthens our resolve.

With this report, we reflect on the immense progress we have made and our unwavering commitment to protect kids and see the first tobacco-free generation. With the generous support of our partners and allies, we will continue to stand up to the tobacco industry and stop it from harming so many kids, families, and communities in the U.S. and across the globe.

**MATTHEW L. MYERS,
PRESIDENT**



U.S. PROGRAMS

INTRODUCTION

In the U.S., as a result of persistent efforts by the Campaign for Tobacco-Free Kids, youth smoking rates fell to record lows, and the FDA unveiled a bold plan to limit nicotine in cigarettes. Our efforts to pass Tobacco 21 laws and restrict flavored tobacco products also gained momentum. Each of these victories brings us closer to winning this fight and creating the first tobacco-free generation.

YOUTH SMOKING RATES HIT RECORD LOWS, BUT JUUL E-CIGARETTES POSE A NEW CHALLENGE.

Thanks to our steadfast advocacy, youth smoking rates fell to just 8 percent, setting a new record low. While this is tremendous progress, a new, highly addictive form of tobacco has begun to hook kids – Juul e-cigarettes that deliver as much nicotine as a full pack of cigarettes and come in kid-friendly flavors. The Campaign for Tobacco-Free Kids and partners have pushed the FDA to effectively regulate these products so that decades’ worth of progress will not be undone, including pursuing legal action against FDA to ensure they conduct a thorough review of these products in a timely manner.



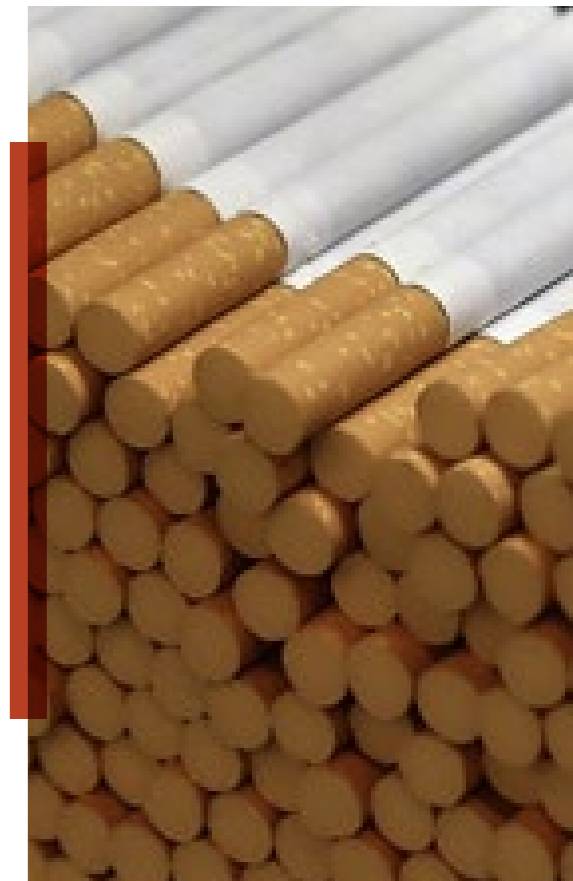
YOUTH SMOKING RATES DOWN TO

8%

Progress endangered by new, highly addictive form of tobacco.

FDA PROPOSES TO REDUCE NICOTINE IN CIGARETTES.

In another FDA-related matter, the commissioner of the Food and Drug Administration, Dr. Scott Gottlieb, announced a bold new plan to reduce nicotine in cigarettes to minimally or non-addictive levels, which has the potential to save millions of lives. The Campaign for Tobacco-Free Kids has repeatedly urged the FDA to move quickly and also implement strong measures, including graphic warnings on cigarette packs, a ban on menthol cigarettes and other flavored tobacco products, and development of new innovative products to help smokers quit.



TOBACCO COMPANIES FORCED TO TELL THE TRUTH.

In a groundbreaking case in the U.S., in 2006 U.S. District Judge Gladys Kessler found that tobacco companies violated civil racketeering laws by deceiving the public about the deleterious health effects of smoking. After 11 years of appeals, tobacco companies began running court-ordered newspaper and TV ads telling the truth about their deadly products. Starting in November of 2017, these statements started appearing in ads on TV, on the companies’ websites, and on cigarette packs. The Tobacco-Free Kids Action Fund was actively involved in organizing the participation of major public health groups as intervenors in the case when the effort began in 1999.



Learn more: tfk.org/tobaccoracketeers

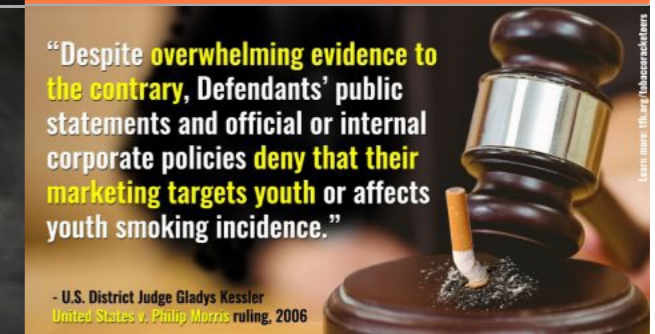


See also: [Big Tobacco.](http://tfk.org/tobaccoracketeers)

tfk.org/tobaccoracketeers



Learn more: tfk.org/tobaccoracketeers



- U.S. District Judge Gladys Kessler
United States v. Philip Morris ruling, 2006

STATES INCREASE TOBACCO TAXES.

Another victory occurred in Oklahoma, where a major tobacco tax was passed. After a multi-year campaign, the legislature passed a \$1.00 tobacco tax increase in March of 2018. The Tobacco-Free Kids Action Fund defended the state's decision to raise tobacco taxes, organizing support from American Cancer Society Cancer Action Network, American Heart Association, American Lung Association, and the Oklahoma State Medical Association. This is the first time Oklahoma has raised their cigarette tax since 2005 and brings the total state tax rate to \$2.03 per pack



ENDORSEMENT OF PRO-TOBACCO CONTROL CANDIDATE.

The Tobacco-Free Kids Action Fund endorsed New Orleans mayoral candidate LaToya Cantrell, a major supporter of a comprehensive smoke-free New Orleans ordinance. Cantrell won the race and became the first female Mayor of New Orleans



TOBACCO 21 LAWS ON THE BOOKS IN

5 STATES

300 COMMUNITIES

TOBACCO 21 LAWS GAINED MOMENTUM.

Our efforts to raise the sale age of tobacco to 21 (T21) have also pushed forward, and as a result of our work, meaningful progress has been made over the past year. Five states have now passed T21 laws, including New Jersey, Maine, Oregon, California, and Hawaii. Additionally, over 300 communities across the country have now passed T21 laws. San Antonio became the first city in Texas to pass a T21 law in January 2018. Several counties in New York, including Westchester County, have now passed T21 laws. Numerous local laws have also passed in Illinois, Minnesota, Massachusetts, Colorado and Kansas.

CITIES BEGIN TO BAN FLAVORED TOBACCO PRODUCTS.

The Campaign for Tobacco-Free Kids continues to be highly concerned about the emergence of flavored e-cigarettes and cigars. San Francisco was the first city to pass a law banning all flavored tobacco products, including menthol cigarettes. Oakland, Berkeley, Minneapolis, and St. Paul, as well as several other smaller cities in California, have enacted restrictions on the sale of flavored tobacco products, including menthol. Nevertheless, Big Tobacco has continued to challenge these restrictions, especially in San Francisco. The Campaign for Tobacco-Free Kids, along with African American groups and other partners who led this legislative campaign, are fighting to defend these critical restrictions.



- + OAKLAND, CA
- + BERKELEY, CA
- + MINNEAPOLIS & ST. PAUL, MN



- UPCOMING CHALLENGES IN
- + SAN FRANCISCO



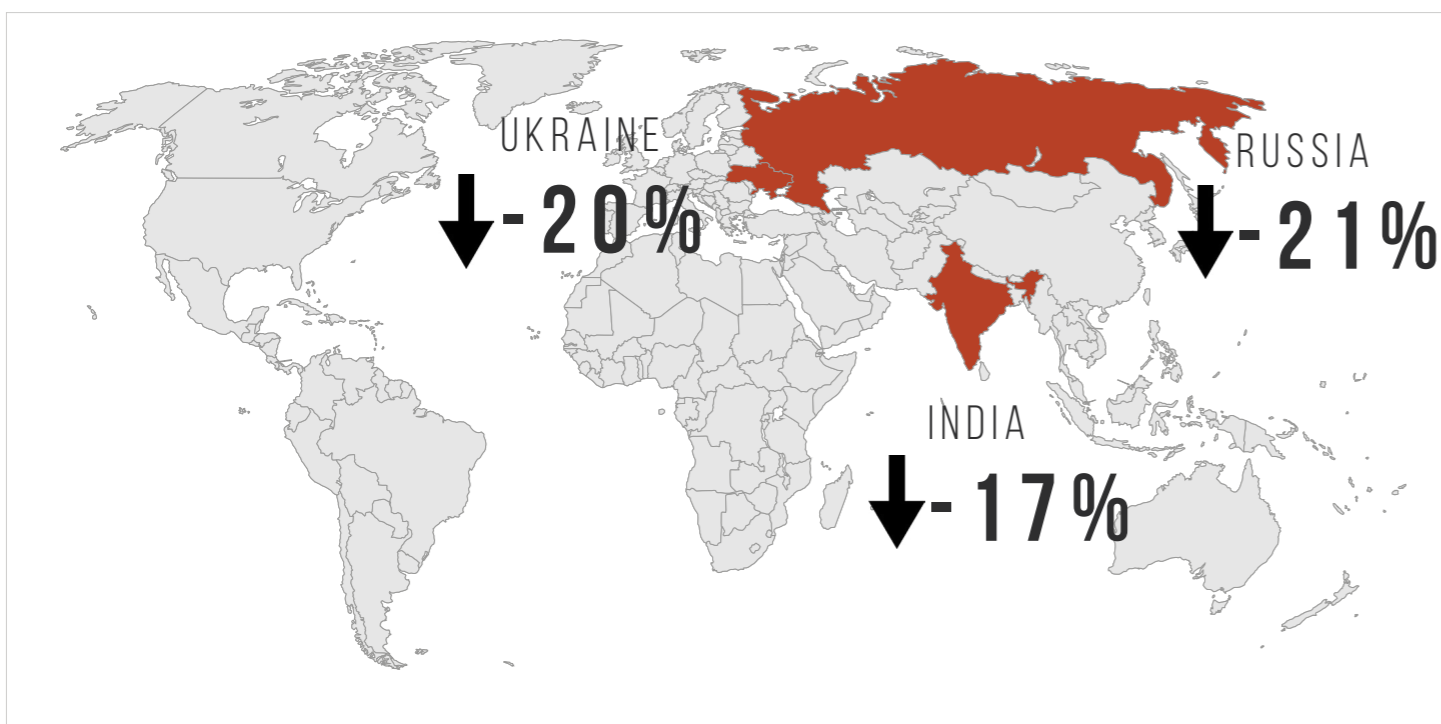
GLOBAL PROGRAMS

INTRODUCTION

In addition to the successes of our U.S. campaigns, we continue to move forward with our global tobacco control work. As a result of our advocacy, a number of important victories occurred this past year: tobacco use has drastically declined in low- and middle-income countries, tax increases have been adopted, landmark legal victories have taken place, plain packaging of tobacco products has been implemented in countries across the globe, and more.

GLOBAL TOBACCO USE RATES FALL.

Our policy advocacy work as part of the Bloomberg Initiative to Reduce Tobacco Use resulted in several notable achievements. According to the Global Adult Tobacco Survey, tobacco use in India dropped from 34.6% in 2010 to 28.6% in 2016, a decline of over 17% and a reduction of over 8 million tobacco users. In Russia, tobacco use is down to 31% of adults according to 2016 data, a decline of more than 21% since 2009, and exposure to secondhand smoke in restaurants decreased from 79% in 2009 to 20% in 2016. Similarly, smoking decreased by 20% from 2010 to 2016 in Ukraine.



BILL AND MELINDA GATES FOUNDATION SUPPORTS TOBACCO CONTROL PROGRAMS IN AFRICA.

With funds from the Bill and Melinda Gates Foundation, the Campaign for Tobacco-Free Kids manages a grants program that supports projects to develop and deliver high-impact, evidence-based tobacco control interventions in Africa. Specifically, this program aims to establish strong tobacco control policies before the tobacco epidemic takes firm root and as the tobacco industry targets the region for growth. We partner with local civil society organizations and key stakeholders both within and outside of government in countries such as Ethiopia, Kenya, Nigeria, Senegal and more. We help our grantee partners to advocate for the passage and implementation of laws that protect people from exposure to secondhand smoke, ban tobacco product advertising, and warn tobacco users about the harms of use through large graphic health warning labels.

Thanks to the Gates grants program and the strategic and technical assistance provided by our Global team, several important tobacco control victories were achieved. In December 2017, The Gambia adopted a comprehensive tobacco control law mandating 100% smoke-free public places, including workplaces, graphic health warnings covering 75% of tobacco product packaging, and a total ban on tobacco product advertising, while neighboring Senegal fully implemented its strong comprehensive law earlier in the year. In addition, Cameroon mandated 70% graphic health warnings in French and English and banned misleading descriptors such as "light" and "low-tar."



INDIA ADOPTS A NEW TOBACCO TAX.

Sustained efforts by the Campaign for Tobacco-Free Kids and partners resulted in a major tobacco tax victory in the Ukraine, which passed a particularly strong tobacco taxation policy. With the exception of a single year, the Ukrainian government has imposed tobacco tax increases each year for the past decade. Moreover, in 2017, the government approved a 30% increase in excise taxes and a plan for increasing taxes on cigarettes by at least 20% annually for the next seven years.

Another taxation victory occurred in India, which will now tax all tobacco products, including cheap, hand-rolled cigarettes called "bidis," despite immense pressure from the bidis industry. All products will be taxed at the highest possible rate (28%) as a demerit good.

BRAZIL'S HIGH COURT UPHOLDS BAN ON FLAVORED PRODUCTS.

The Campaign for Tobacco-Free Kids was also heavily involved in a critical court ruling in Brazil regarding regulation of tobacco. This year, Brazil's Supreme Federal Court – the country's highest court – upheld groundbreaking regulation banning tobacco product additives, including all flavors. Tobacco companies had previously attempted to stall the implementation of the regulation through litigation for six years, taking advantage of the delay by flooding the Brazilian market with “flavor capsule cigarettes,” a tobacco industry innovation where smokers crush capsules embedded in cigarette filters to receive a burst of flavor, usually menthol, with each puff. Brazil was the first country in the world to ban the use of flavors and additives, including menthol in tobacco products.



PLAIN PACKAGING CONTINUES TO SPREAD.

The Campaign for Tobacco-Free Kids has continuously defended international tobacco control laws centered on the need for plain packaging, free of colorful logos, and the need for clear graphic health warnings on cigarette packs. With our support, Australia has been able to successfully implement a plain packaging law, and Uruguay defeated Philip Morris International in a legal battle challenging the requirement of graphic health warnings. Following the precedent set by these countries, plain packaging is spreading around the world. Other countries that began implementing plain packaging laws include Ireland, Norway, and New Zealand. Additionally, France and the United Kingdom joined Australia in completing implementation of their laws. This new requirement will help decrease the market appeal of cigarettes to kids and drive down cigarette use among youth.

MEDIA REPORTS EXPOSE TOBACCO INDUSTRY WRONGDOING.

Building on research by the Campaign for Tobacco-Free Kids and Johns Hopkins University, the Guardian detailed how major tobacco companies including Philip Morris International and British American Tobacco target kids by marketing cigarettes near schools and around the world. Furthermore, Reuters, with support from the Campaign for Tobacco-Free Kids, exposed a massive campaign by Philip Morris aimed at defeating tobacco control policies and “bringing to heel the world’s tobacco control treaty.”



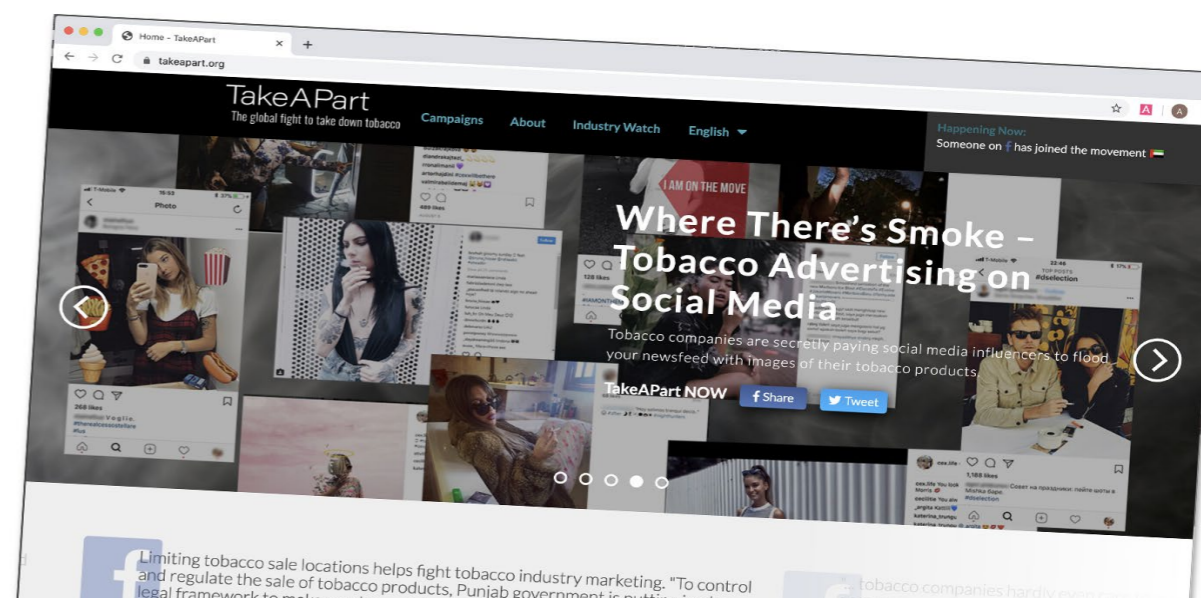
BANGLADESH FUNDS TOBACCO CONTROL.

A new policy was enacted in Bangladesh that will direct a portion of its tobacco tax (a 1% Health Development Surcharge) to advance tobacco control. This surcharge will generate more than \$37,000,000 a year in revenue and will provide funding for the National Tobacco Control Program team and activities. The policy was drafted by the Campaign for Tobacco-Free Kids and our grantee, the National Heart Foundation, and is the first of its kind in all of South Asia.



THE CAMPAIGN LAUNCHES TAKEPART.

In March, the Campaign for Tobacco-Free Kids launched a new Initiative, TakeAPart (Facebook: @takeapartnow; Twitter: @TakeAPartNow), a global campaign focused on highlighting industry wrongdoing, giving advocates across the globe a new tool for exposing the industry, and galvanizing support to counter the industry. Our aim is to curtail the ability of the tobacco industry to be an obstacle to passing and implementing strong tobacco control policies.



GLOBAL HEALTH ADVOCACY INCUBATOR

INTRODUCTION

Building on the successes and lessons learned in the global fight against tobacco, the Campaign for Tobacco-Free Kids launched the Global Health Advocacy Incubator (GHA) in 2014 to build, support, and strengthen the capacity of advocates working on diverse public health issues across the globe, saving millions of lives along the way.

Our experience designing successful campaigns and passing policies to save lives gave us an innovative and proven model for advocacy – one that is locally led and adaptable to culture, political context, and issue area. Our expert multidisciplinary team has a broad range of experience planning, executing, and evaluating high-impact policy advocacy campaigns. We provide capacity building and technical assistance across all components of effective policy advocacy, from political mapping, legal analysis and strategic planning to media advocacy, coalition building, and grassroots mobilization.

We've stood up against powerful industries and overwhelming political opposition. And despite the odds, we've won. Our values are drawn from this history, our commitment to public health, and our unwavering belief in the power of policy change.

FIVE YEARS AFTER ITS INCEPTION, GHAI IS NOW SUPPORTING LOCAL PARTNERS WORKING IN SEVEN PUBLIC HEALTH PROJECT AREAS

- Cardiovascular Health
- Civil Registration and Vital Statistics
- Drowning Prevention
- Maternal and Reproductive Health
- Obesity Prevention
- Preventing Epidemics
- Road Safety

CARDIOVASCULAR HEALTH AND PREVENTING EPIDEMICS.

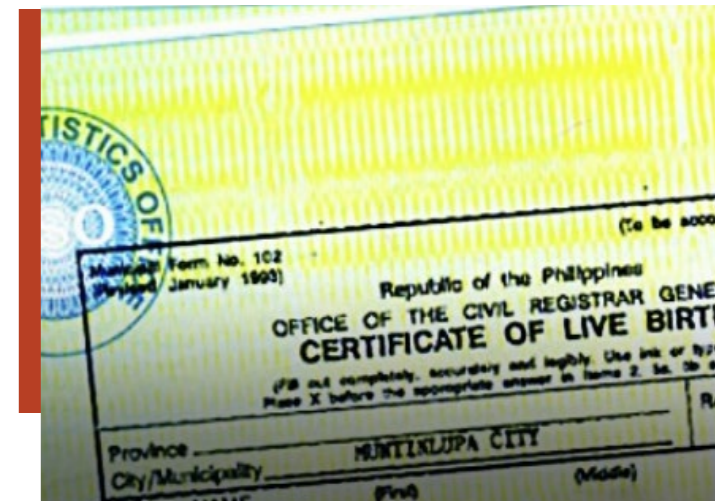
GHA is a core partner of Resolve to Save Lives, an initiative of Vital Strategies that aims to save 100 million lives from cardiovascular disease and to prevent epidemics. Resolve to Save Lives was launched in late 2017 with funding from Bloomberg Philanthropies, the Chan Zuckerberg Initiative and the Bill & Melinda Gates Foundation. This year, to improve cardiovascular health, we identified and began to work with partners in eight countries – Bangladesh, Brazil, China, Ethiopia, India, Nigeria, Philippines, and Turkey – to advance lifesaving food and health policy solutions, with a focus on eliminating artificial trans-fat, reducing sodium consumption, and improving the availability of quality hypertension treatment. In all countries, we identified capable organizations, helped build their capacity, and then provided them financial and technical assistance that enabled them to succeed.

To help prevent epidemics, we began to work in two countries – Nigeria and Senegal – to generate public awareness and political will to increase relevant domestic investments. In both countries, we worked with local partners to successfully catalyze the creation of budget line items for the countries' lead federal agencies tasked with preparing for and responding to major infectious disease outbreaks, the Nigeria Center for Disease Control and Senegal's Emergency Operations Center.



CIVIL REGISTRATION AND VITAL STATISTICS.

GHA supports the Bloomberg Data for Health Initiative by conducting analyses of legal frameworks for civil registration, vital statistics and identity management (CRVS-ID) systems. These legal reviews help set the stage for reforms designed to ensure that all persons have a documented legal identity from birth and that the government knows and documents the causes of deaths. These data are critical for setting public health programmatic and policy priorities. A new CRVS regulation was drafted in the Philippines in 2018 based on GHA's legal review, and GHA is providing technical legal assistance to Cambodia as the country drafts a new CRVS-ID law.



DROWNING PREVENTION.

Seven children die from drowning in Vietnam every day. In June 2018, Bloomberg Philanthropies provided funding for GHAI and the World Health Organization to support the government of Vietnam as they implement proven drowning prevention interventions. The program is being built with sustainability in mind, so that the government will be prepared to take stewardship when international funding ends.



MATERNAL & REPRODUCTIVE HEALTH.

Thanks to a Maternal and Reproductive Health program in Tanzania's Kigoma region, one of the riskiest places in the country for women to give birth, the percentage of facility-based deliveries in Kigoma increased from 48% to 77% between 2011 and 2018, making birth safer for mothers and babies. As Bloomberg Philanthropies' sustainability partner, brought on in 2016, GHAI identified and supported local partners to advocate for the government to assume management and funding of many of the program's services in 2019.

OBESITY PREVENTION.

The Obesity Prevention program promotes healthy food policy solutions in Barbados, Brazil, Colombia, Jamaica and South Africa. Through GHAI's support, local partners have built effective grassroots coalitions and advanced policies to tackle and prevent obesity. In South Africa, where obesity-related diseases like heart attack and stroke account for more than half of deaths, our partners mobilized in support of a sugary drink tax that went into effect April 2018. With assistance from GHAI, our partners in Brazil supported the passage of a state-wide law banning unhealthy food in school canteens in July 2018, covering a population of 11.3 million in Rio Grande do Sul. In addition, amid fierce industry opposition, Colombia partners successfully won the legal right to air public health messages, signaling the important role that civil society organizations play in public health education and policy campaigns.



ROAD SAFETY.

GHAI advances policy change that saves lives on the road in five countries. In 2018, we focused on capacity-building for policy change, including the first-ever Campaign for Tobacco-Free Kids/GHAI digital content creation training. In the Philippines, local civil society organizations identified the pressing need for a law mandating the use of car seats to protect children involved in road crashes. With technical assistance from GHAI, an advocacy coalition raised the issue's profile, drafted legislation and built public and political support, leading to passage of a mandatory child restraint bill by both houses of Congress by the end of 2018. Also in the Philippines, new national guidance supported by our grantees requires local governments to set appropriate speed limits and provides a template for local speed reduction legislation. In Thailand, our partners advocated successfully for government approval of expanded speed limit reductions.



TOBACCO INDUSTRY WATCH

INTRODUCTION

The devastating and deadly impact of tobacco on kids and adults in the U.S. and across the world is a direct result of the tobacco industry's deceptive practices. Their marketing schemes are obvious attempts to attract young people and get them hooked on deadly tobacco products. The Campaign for Tobacco-Free Kids seeks to hold the tobacco industry accountable and protect the health of young people. To do this, we monitor trends and industry behavior, expose their shameful tactics, and forcefully counter their obvious efforts to put the popularity of their products ahead of kids' health.



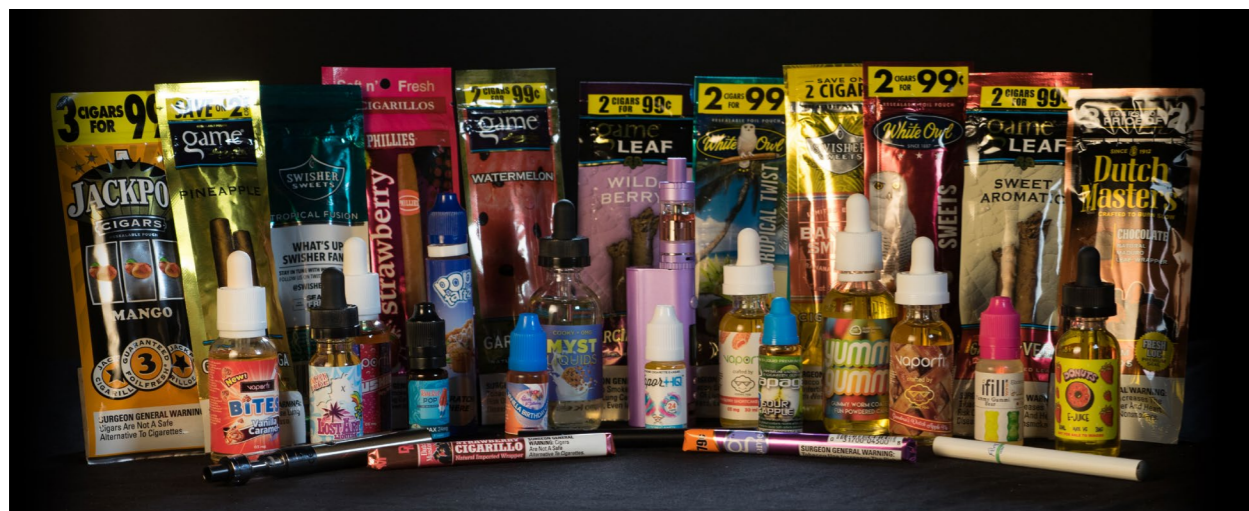
Flavored tobacco products are widely considered “starter” products that appeal to youth. According to a government study, 81 percent of kids who have ever tried tobacco started with a flavored product and 80 percent of current youth tobacco users had used a flavored tobacco product in the past month.

Among the most serious challenges, tobacco companies have aggressively marketed menthol-flavored tobacco products to African Americans, often targeting youth. The tobacco industry has long targeted these communities with marketing for menthol cigarettes through sponsorship of community and music events, magazine advertising, youthful imagery, and disproportionate marketing in African American neighborhoods. The destructive impact on the community is clear, as African Americans smoke menthol cigarettes at very high rates and quit smoking at lower rates, and African-American men have notably high death rates from lung cancer.

Tobacco companies have devoted extensive efforts and resources to ensure that the FDA maintains a “hands-off” approach when it comes to these deadly products. When the FDA issued a 2016 rule establishing public health oversight of e-cigarettes, cigars and other previously unregulated tobacco products, the tobacco companies spent millions of dollars on federal lobbying, filed several lawsuits against the rule, and urged the Trump administration to roll it back. In July of 2017, as a result of industry pressure, the House Appropriations Committee released a bill that would make it much harder for the FDA to protect kids and public health:

- One provision of the bill would “grandfather” e-cigarettes and cigars already on the market and exempt them from FDA review of their public health impact, including whether they appeal to kids. These include thousands of products in sweet, kid-friendly flavors like gummy bear, cotton candy, cherry crush and banana smash. This provision would take away one of the FDA’s most effective tools for removing from the market products that egregiously appeal to kids or pose other serious health and safety risks.
- The other provision of the Bill would completely exempt so-called “large and premium cigars” from FDA oversight, but defines such cigars so broadly that it could end up exempting cheap, machine-made, flavored cigars that are widely used by kids.

TOBACCO INDUSTRY CONTINUES TO MARKET FLAVORED E-CIGARETTES AND CIGARS TO ATTRACT KIDS.



As more and more kids quit smoking regular cigarettes, tobacco companies have ramped up their offering of flavored tobacco products to entice youth. Over the past year, tobacco companies have been aggressively marketing candy, fruit, and menthol flavored e-cigarettes and cigars to attract a new generation of kids. Studies have found that there are more than 7,700 e-cigarette flavors, with hundreds added each month, and at least 250 cigar flavors.

Philip Morris: A history of empty promises

1954 "If we had any thought or knowledge that in any way we were selling a product harmful to consumers, we would stop business tomorrow."

1972 "If our product is harmful, we'll stop making it."

1977 Philip Morris CEO said he would "shut [manufacturing plants] down instantly" if scientists proved cigarettes caused cancer.

2017 Philip Morris is leading the way to a "smoke-free future."

2018 "We're trying to give up cigarettes."

PHILIP MORRIS WAGES WAR ON TOBACCO CONTROL WHILE CLAIMING TO SUPPORT A "SMOKE-FREE FUTURE."

Philip Morris International is the world's largest publicly traded tobacco company and produces the best-selling Marlboro cigarette brand. But as part of a campaign to rebrand its image over the past year, the company has recently claimed to be working toward a "smoke-free future." However, nothing could be further from the truth.

In 2017, a report issued by Reuters confirmed that Philip Morris has engaged in lobbying, lawsuits, and other tactics aimed at defeating, weakening, and delaying tobacco control measures in individual countries. This report shows that Philip Morris continues to do everything possible to throw roadblocks against efforts to reduce tobacco use and cannot be taken seriously when it claims to be committed to a "smoke-free future."

Philip Morris has a long history of deceiving the public and doing whatever it takes to sell cigarettes. While it established a Foundation for a Smoke-Free World with funding of \$80 million per year over the next 12 years, this amount of funding pales in comparison to the \$16 billion in revenue it made in 2016. Further, it continues to aggressively market its products, often using images that appeal to youth. It is clear that each of its past efforts has been nothing more than a smokescreen to divert attention from its marketing practices and the harm its products cause. The Campaign for Tobacco-Free Kids seeks to counter these false pretenses laid out by the industry and to urge the FDA and members of Congress to ignore industry pressure and put the safety of children before the interests of Big Tobacco.

YOUTH ADVOCACY PROGRAMS

INTRODUCTION

The work we do would not be possible without the remarkable activism, energy, and dedication of our youth advocates across the country. This past year was particularly notable in that it marked the launch of the Taking Down Tobacco online advocacy training program for youth leaders and adult allies. The Campaign for Tobacco-Free Kids actively encourages youth to become involved in the movement through our annual Kick Butts Day national day of action, our year-round online youth advocacy training program, and our youth advocacy in-person symposium. The extraordinary efforts of youth advocates across the country is recognized each year with our Youth Advocates of the Year Awards.

KICK BUTTS DAY 2018.

Kick Butts Day is the Campaign's annual day of action where youth speak out and take a stand against Big Tobacco. Every year, thousands of people across the country conduct events and activities to highlight the tobacco industry's targeting of youth. This year, there were 1,300 events in 50 states.

The Taking Down Tobacco online training program was a key focus of Kick Butts Day this year. Through utilization of the #BeTheFirst pledge walls, banners where event participants signed their name signifying their pledge to being part of the first tobacco-free generation, we reached thousands of kids across the country.





KICK BUTTS DAY 2018

KEY HIGHLIGHTS

- Estimated reach through events grew to over 1.2 million people;
- 99 events held on military bases;
- 11 legislative events were hosted in states focusing on tobacco 21, smoke-free and/or tobacco control funding including: Texas, Washington, Rhode Island, New Jersey, Indiana, Nebraska, West Virginia, Missouri, Massachusetts, North Carolina, and Hawaii;
- 33 interviews with radio and TV stations across the country, with media releases pitched in every state leading to 747 stories across the country;
- 630 Pledge Wall kits were distributed nationwide, with 63 kits sent to Coast Guard Exchange stores across the country.



TAKING DOWN TOBACCO.

Through the generous support of the CVS Health Foundation, the Campaign for Tobacco-Free Kids has developed an award-winning, best-in-class online and in-person training program – Taking Down Tobacco (TDT). The goal of this online training program was to engage, educate, and support 1 million youth across the country to make the next generation tobacco-free. Not only did the Campaign for Tobacco-Free Kids meet this significant milestone, but we actually exceeded our goal, training approximately 1.2 million youth.

Other key highlights include:

- Providing over 4,500 advanced skills trainings (Messaging Matters, Informing Decision Makers, Mastering the Media and Activities that Kick Butts) to boost advocacy skills of youth, leading to over 500 direct actions in the field (letters to the editor, contact with decision-makers and advocacy events);
- Receiving the National Network of Public Health Institutes (NNPHI), National Coordinating Center for Public Health Training's Elevating Practice award;
- Supporting the launch of national JUUL educational activities including a media tour, bites and b-roll package, and new fact sheet.

The extraordinary success of this program will help ensure that young people are armed with the knowledge and resources they need to ensure a healthy, tobacco-free future for themselves and their peers.

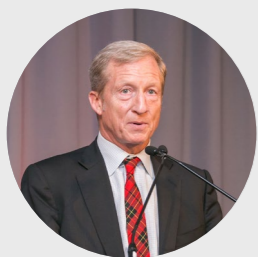




2017 YOUTH ADVOCATE OF THE YEAR AWARDS.

Every year, the Campaign for Tobacco-Free Kids, partners, youth, and allies gather for the annual Youth Advocates of the Year Awards Gala, a chance to honor and celebrate all of the meaningful and impactful work being done by our youth advocates. The 2017 Youth Advocates of the Year are a remarkable group of young people working to advance tobacco control and put a stop to Big Tobacco. They inspire and motivate us every day to fight for them and the tobacco-free future that they deserve.

IN ADDITION TO THE YOUTH ADVOCATES OF THE YEAR, THE CAMPAIGN FOR TOBACCO-FREE KIDS ALSO HONORED THE FOLLOWING LEADERS IN THE FIGHT AGAINST TOBACCO.



Tom Steyer

Yes on 56 – Save Lives California

This year, we presented our **Champion Award** to **Tom Steyer**, a business leader, philanthropist, and co-chair of the Yes on 56 – Save Lives California ballot initiative campaign, which proposed to raise California’s cigarette tax by \$2 per pack. Despite fierce opposition from the tobacco industry, the initiative was approved by 64% of California voters. The revenue generated by the tax increase will be used to improve health care programs, expand tobacco prevention and cessation efforts, and fund research on cancer and other tobacco-related diseases. Tom’s personal advocacy played a key role in the success of this historic measure to reduce tobacco use and save lives.



Vishal Rao, MD
India

The Judy Wilkenfeld Award for International Tobacco Control Excellence was established in honor of the late Judy Wilkenfeld, the founder of Tobacco-Free Kids’ global programs. This year, we presented the Wilkenfeld award to **Dr. Vishal Rao**, a head and neck oncology surgeon and a leading voice in India’s fight against tobacco. Dr. Rao has brought together leaders from the government, nonprofit, and private sectors to encourage collaboration in taking on the tobacco epidemic. His efforts led to a ban on forms of chewing tobacco, tougher enforcement of India’s Cigarettes and Tobacco Products Act, and the design of a prosthetic device to allow throat cancer patients to speak again. Dr. Rao’s commitment both to those suffering from the terrible consequences of tobacco use and to future generations sets him apart as a true champion for tobacco control in India.



EAST REGION YOUTH
ADVOCATE OF THE YEAR

Hannah Martuscello
Dover, New Hampshire



NATIONAL YOUTH
ADVOCATE OF THE YEAR

Carlos Vela
Ingleside, Texas



CENTRAL REGION YOUTH
ADVOCATE OF THE YEAR

Adileen Sii
Wisconsin Rapids, Wisconsin



SOUTH REGION YOUTH
ADVOCATE OF THE YEAR

Nicolas Suarez
Port St. Lucie, Florida



GROUP WINNER

Noble SWAT
Emma Adams, Faith Lorenz,
Bryce Riddle, Brody Smith
Noble, Oklahoma



WEST REGION YOUTH
ADVOCATE OF THE YEAR

Tyra Nicolay
Shiprock, New Mexico

In 2017, the Campaign for Tobacco-Free Kids presented our **National Youth Advocate of the Year** award to **Carlos Vela** of Ingleside, Texas. Carlos, whose mother spent years struggling to quit smoking, has advocated for policies to reduce tobacco use at the local, state and national levels. Carlos has spent the past three years tirelessly pursuing a smoke-free ordinance in his hometown of Ingleside. After the City Council initially rejected the ordinance, Carlos helped collect enough petition signatures to put the measure up for public referendum.

Carlos is also active in the campaign to raise Texas’ tobacco age to 21 as Campaign for Tobacco-Free Kids Youth Ambassador. Additionally, he is an ambassador for Say What! (Students, Adults and Youth Working Hard Against Tobacco!), a movement to reduce tobacco use in Texas. In this role, Carlos travels statewide to train other youth leaders to become effective advocates. On the national level, Carlos has met with his members of Congress to promote FDA regulation of all tobacco products and CDC funding for tobacco prevention programs.

2017 YOUTH ADVOCACY SYMPOSIUM.

This year we brought together 22 exceptional young people from 21 states to kick off a year of advocacy engagement with us as National Youth Ambassadors for the 2017 Youth Symposium. These leaders were selected through a competitive application process, and will continue to receive ongoing training and support over the course of the year.

The Symposium is designed to serve as a kick-off event to prepare youth to engage in state and federal advocacy initiatives in the coming year. As a requirement to attend, each National Youth Ambassador completed each of the Trainings on TakingDownTobacco.org. Further, attendees participated in 8 key trainings in-person and conducted Hill visits with their members of Congress. This year, youth advocates participated in 47 meetings on Capitol Hill to discuss FDA’s authority to regulate all tobacco products.



FINANCIALS



CAMPAIGN FOR TOBACCO-FREE KIDS (APRIL 2017-MARCH 2018)

| | RESTRICTED | TEMPORARILY RESTRICTED | TOTAL |
|--|-------------------|------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Grants income | \$235,559 | \$47,176,038 | 47,411,597 |
| Contributions | 828,745 | 1,056,697 | 1,887,442 |
| Events | 371,965 | - | 371,965 |
| Investment income | 85,334 | - | 85,334 |
| Other revenue | 3,212 | - | 3,212 |
| Net assets released from restriction | 28,816,245 | (28,816,245) | - |
| TOTAL SUPPORT AND REVENUE | 30,342,060 | 19,418,490 | 49,759,550 |
| EXPENSES | | | |
| PROGRAM SERVICES | | | |
| Public information and communications | 1,731,312 | - | 1,731,312 |
| Research advocacy and technical assistance | 4,819,359 | - | 4,819,359 |
| Youth services | 867,200 | - | 867,200 |
| International programs | 21,713,162 | - | 21,713,162 |
| PROGRAM SERVICES | | | |
| General and administrative | 1,162,225 | - | 1,162,225 |
| Fundraising | 882,804 | - | 882,804 |
| TOTAL EXPENSES | 31,176,062 | 19,418,490 | 31,176,062 |
| CHANGE IN NET ASSETS | (835,002) | 19,418,490 | 18,583,488 |
| NET ASSETS | | | |
| BEGINNING | 4,134,181 | 41,422,591 | 45,556,772 |
| ENDING | 3,299,179 | 60,841,081 | 64,140,260 |



TOBACCO-FREE KIDS ACTION FUND (APRIL 2017-MARCH 2018)

| | RESTRICTED | TEMPORARILY RESTRICTED | TOTAL |
|--|-------------------|------------------------|-------------------|
| SUPPORT AND REVENUE | | | |
| Contributions and grants | \$690,514 | \$15,066,000 | \$15,756,514 |
| Investment income | 10,516 | 20,461 | 30,977 |
| Net assets released from restriction | 15,432,680 | (15,432,680) | - |
| TOTAL SUPPORT AND REVENUE | 16,133,710 | (346,219) | 15,787,491 |
| EXPENSES | | | |
| PROGRAM SERVICES | | | |
| Advocacy, research, communications, youth services | 1,918,732 | - | 1,918,732 |
| International programs | 13,930,859 | - | 13,930,859 |
| PROGRAM SERVICES | | | |
| General and administrative | 134,881 | - | 134,881 |
| Fundraising | 17,935 | - | 17,935 |
| TOTAL EXPENSES | 16,002,407 | - | 16,002,407 |
| CHANGE IN NET ASSETS | 131,303 | (346,219) | (214,916) |
| NET ASSETS | | | |
| BEGINNING | 4,847,422 | 33,490,107 | 38,337,529 |
| ENDING | 4,978,725 | 33,143,888 | 38,122,613 |

BOARD OF DIRECTORS

FY 2018

**William D. Novelli
(Board Chair)**

Georgetown University
Washington, D.C.

Eileen Boone

Senior Vice President, Corporate Social
Responsibility & Philanthropy
CVS Health
Woonsocket, RI

Nancy Brown

Chief Executive Officer
American Heart Association
Dallas, TX

Dr. Bechara Choucair, MD, MS

Senior Vice President, Community Health and Benefit &
Chief Community Health Officer
Kaiser Permanente
Oakland, CA

**Christopher Conley
(Finance Committee Chair)**

Managing Director
Tricardia Municipal Management
New York, NY

**Barrie Fiske
(Development Committee Chair)**

Tobacco Control Advocate
Carmel, CA

Dr. Joxel Garcia

Chief Medical Officer and Vice President
American Express
New York, NY

Bryce Moore

2016 Youth Advocate of the Year
Gulfport, MS

Michael Moore

Moore Law Firm, LLC
Flowood, MS

Gary M. Reedy

Chief Executive Officer
American Cancer Society
Atlanta, GA

**Jonah Shacknai
(Development Committee Chair)**

Executive Chairman
DermaForce Partners
Phoenix, AZ

Doug Ulman

President & Chief Executive Officer
Pelotonia
Columbus, OH

Carlos Vela

2017 Youth Advocate of the Year
Ingleside, TX

Matthew L. Myers

President
Campaign for Tobacco-Free Kids
Washington, D.C.

**Yolonda Richardson
(Board Secretary)**

Executive Vice President, Global Programs
Campaign for Tobacco-Free Kids
Washington, D.C.

**Jacqueline M. Bolt
(Board Treasurer)**

Vice President, Finance and Administration
Campaign for Tobacco-Free Kids
Washington, D.C.

WAYS TO GIVE



The Campaign for Tobacco-Free Kids is grateful for each and every donation we receive. Your contribution, no matter how big or small, helps us put an end to the disease and death caused by tobacco in the U.S. and around the world, and address a growing number of additional global public health challenges through our Global Health Advocacy Incubator.

There are a number of ways you can support our work:

- Consider giving a monthly or one-time donation via mail, fax, phone, or through our website at **TobaccoFreeKids.org/donate**. All donations to the Campaign for Tobacco-Free Kids 501(c)(3) are tax-deductible
- Ask your company to consider a **corporate sponsorship**. There are a number of exciting ways for corporations and organizations to support our work, such as being a sponsor for our annual Youth Advocates of the Year Awards Gala
- **Donate stock**. You can transfer stock shares that you have owned for one year or more to the Campaign for Tobacco-Free Kids, giving you an immediate income tax deduction
- **Include a bequest** to the Campaign for Tobacco-Free Kids in your will, either unrestricted or directed to a specific program or event. The gift can be a specific amount or a percentage of an estate
- Support our 501(c)(4) Action Fund and help us advocate for lifesaving tobacco control laws. Visit our website at **TobaccoFreeAction.org/donate** for more information. Contributions to the 501(c)(4) are not tax-deductible

To learn more or make a donation, please:

- Visit **TobaccoFreeKids.org/get-involved/ways-to-give**
- Email us at **developmentinfo@tobaccofreekids.org**
- Or call **(202) 296-5469**



Campaign for Tobacco-Free Kids
1400 I ("Eye") Street NW, Suite 1200
Washington, D.C. 20005
(202) 296-5469 | TobaccoFreeKids.org



Tobacco-Free Kids Action Fund
1400 I ("Eye") Street NW, Suite 1200
Washington, D.C. 20005
(202) 296-5469 | TobaccoFreeAction.org