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# 5 Years In, 5 Questions to Ask: FSFW's Tax Returns Suggest It Is Not a Credible Voice

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In 2017, Philip Morris International (PMI) launched the Foundation for a Smoke-Free World (FSFW). While the non-profit organization claims to [act independently](#) of its Big Tobacco sponsor, its actions suggest it has been operating as a [tobacco industry front group](#). To better understand its priorities and relationship with the industry, STOP began analyzing [FSFW's annual tax returns](#).

**Five years later, five important questions remain unanswered.**

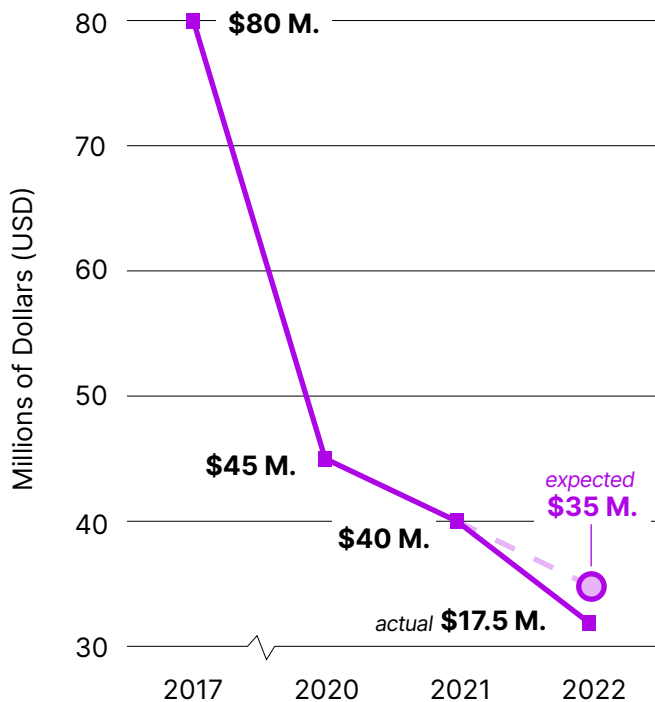
## **1. Will FSFW ever find a funder outside of PMI?**

FSFW is solely funded by PMI, one of the world's largest cigarette companies. At its inception, [FSFW stated](#) that it would be "seeking and expects to receive funding from other sources." In June 2020, [FSFW relaxed this commitment](#), stating that it "may seek funding from other sources." The Foundation's 2022 tax return reveals that PMI is still its only funder, suggesting the organization has either tried to find other funders and failed—or hasn't tried at all, as concentrated funding allows PMI to continue to influence FSFW's research and PR priorities.

## 2. Why does FSFW's budget keep shrinking?

In the beginning, PMI pledged to give FSFW \$80 million\* every year for 12 years. Curiously, the Foundation's tax return showed that in 2020, [PMI had cut its funding by nearly half](#) to \$45 million. In 2021, PMI continued to further cut FSFW's funding, dropping its contribution to \$40 million that year and [pledging to fund only \\$35 million](#) the following year in 2022. Despite this pledge of \$35 million, FSFW's financial statement suggests that it received only \$17.5 million from PMI in 2022. In its [amended pledge agreement](#) dated December 2022, PMI stipulated that it would give FSFW **up to \$35 million** annually. In addition, this agreement stipulates quarterly oversight of FSFW's spending, which may reflect closer involvement from PMI in how FSFW uses its funds.

PMI Budget Pledge to FSFW



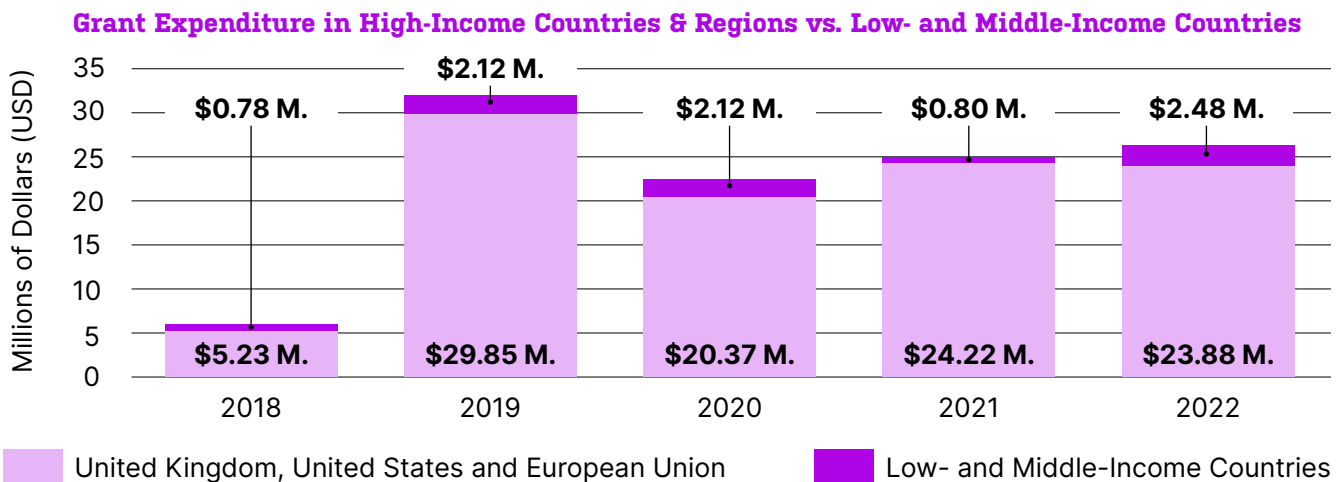
## 3. Where is FSFW's money really going—and why?

In its first full year, the Foundation spent \$7.6 million on communications—over \$1 million more than its spending on grants and contributions to third party organizations for research-related activities—quickly raising a flag that FSFW was [operating as a public relations arm](#) of PMI. While spending on communications has decreased, it has never dropped below \$1.2 million, as reported in 2022. It has consistently funded media outlets, such as Vida News and [Filter Magazine](#), the latter of which is operated by the Influence Foundation which receives funding from tobacco companies as well as FSFW. [New research published in 2023](#) on FSFW's activities demonstrates that both outlets cite FSFW's work, promote the industry's "alternative" products and critique science that could harm industry profits.

By its second year, the amount FSFW spent on grants surpassed its communications spend, though by its fourth year, the number of grants it was giving [had declined](#). In 2020, FSFW gave 76 grants, while in 2021 it gave only 48, suggesting FSFW may have had trouble finding organizations willing to take funding from the tobacco industry. Indeed, a long list of institutions have [publicly refused to work with the Foundation](#) and some, such as the Foundation for Professional Development, have [terminated their relationship with the Foundation](#) due to its links to Big Tobacco. In 2022, the number of grants FSFW gave rose to 60, however some organizations were recipients of multiple grants.

#### 4. If FSFW claims to prioritize low- and middle-income countries, why is so much of its money going to groups in high-income countries?

From the beginning, FSFW claimed it sought to “take action in key regions by [supporting middle- and lower-income countries](#) and helping them build their capacity for research and effective interventions.” However, according to its tax returns, far more grant money has been given to consultants and organizations based in high-income countries.



#### 5. Will FSFW ever be truly independent?

Though FSFW and its grantees have sometimes [obscured, or altogether omitted, their links to the tobacco industry in and beyond peer-reviewed publications](#), FSFW appears to have become more closely aligned with the industry. Tax returns from [2018](#), [2019](#), [2020](#), [2021](#) and [2022](#) have revealed that FSFW continues to work with PR, legal and research organizations that have strong ties to the industry.

In alignment with [recent findings that FSFW is producing tobacco industry-friendly research and opinion](#), analysis of the tax returns indicates the communications and research it funds align with the priorities and messaging of PMI. Its 2021 tax return indicated notable increases in grants for research on “switching” and the industry’s definition of “harm reduction,” including in

countries like India, where the industry’s electronic products are banned but where the industry is lobbying for their approval. Spending continued in these areas in 2022. Between 2020 and 2021, FSFW also spent nearly \$628,000 on grants related to [influencing the Conference of the Parties](#), a biannual gathering for Parties to the WHO Framework Convention on Tobacco Control, from which the industry is strictly excluded.

Given that these important questions remain unanswered, one final question arises: Will FSFW eventually be disbanded the way similar industry-funded front groups were, such as the [Center for Indoor Air Research](#) or the [Tobacco Institute](#)? Until then, [STOP’s recommendation](#) remains: Do not work with FSFW.

Learn more about [the Foundation for a Smoke-Free World](#), [its scientific activities](#) and STOP’s analysis of its [tax returns](#).

## Key Takeaways from FSFW's 2022 Tax Return

- **FSFW provided funding to nine new grantees.** Most are in high-income countries and most research is related to its “Health and Science Research” pillar, with its focus on “tobacco harm reduction” through the use of industry products, rather than on broader tobacco control measures. One new grantee is based in China.
- **FSFW continued giving significant funds**—more than \$1.5 million in 2022—to one of its loudest advocates, [Knowledge-Action-Change](#), which has published outputs and funded research that promote the industry’s “alternative” products and denigrate both tobacco control policies and science produced by tobacco control researchers. K-A-C has also used FSFW’s money to recruit other researchers, letting FSFW and PMI put more distance between themselves and the outputs they are funding. FSFW has committed future payment of \$5.5 million to K-A-C.
- **[The Centre for Health Research and Education](#), a group with strong ties to the tobacco industry** (one of its founding directors was employed by British American Tobacco between 2005 and 2019), is becoming a more prominent grantee. CHRE received more than \$3.5 million in 2022 to promote the industry’s definition of “harm reduction” and “alternative” products in India and for a project in a U.K.-based group of mental health hospitals. FSFW has approved just under \$2.4 million for future payment to CHRE.
- **FSFW gave more than \$1.8 million to Euromonitor** to continue work on the Foundation’s so-called Tobacco Transformation Index, a report that is created with extensive industry involvement and [enables industry self-promotion](#). FSFW has committed more than \$8.7 million in future payments to Euromonitor.
- **According to this tax return, FSFW only received \$17.5 million in new funds from its donor in 2022, rather than the \$35 million pledged.**
- **The Operations Update that accompanies the tax return indicates that FSFW intends to involve itself in topics including electronic product waste, dual- and polyuse of electronic products and cigarettes and the use of electronic products as a gateway to cigarette use—**reflecting issues on which the tobacco industry is facing increased scrutiny.

\*All amounts listed in U.S. dollars



### About STOP (Stopping Tobacco Organizations and Products)

STOP is a global tobacco industry watchdog whose mission is to expose the tobacco industry strategies and tactics that undermine public health. STOP is funded by Bloomberg Philanthropies and comprised of a partnership among the Tobacco Control Research Group (TCRG) at the University of Bath, The Global Center for Good Governance in Tobacco Control (GGTC), the International Union Against Tuberculosis and Lung Disease (The Union) and Vital Strategies. For more information, visit [exposetobacco.org](http://exposetobacco.org).