

MILLIONS OF LIVES SAVED.

A NEW GENERATION TO PROTECT.

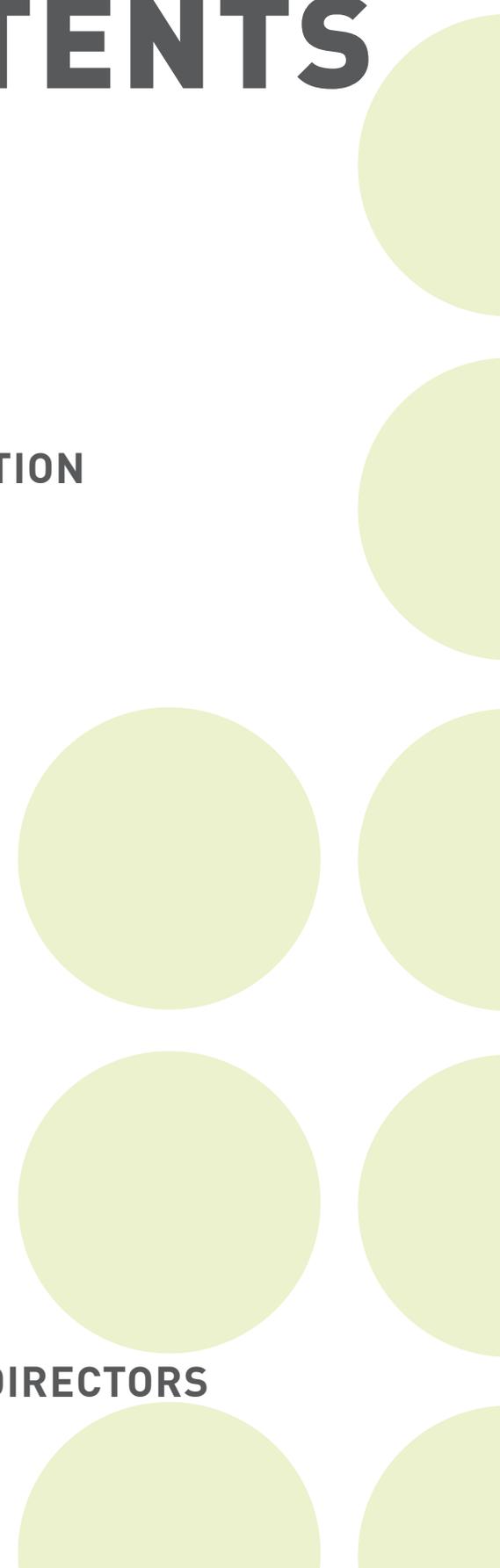


2018 ANNUAL REPORT

TRUTH INITIATIVE® MARKS 20 YEARS & PREPARES FOR THE FUTURE



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a measurable impact and is our most successful effort to date in terms of youth engagement and video views. In January, we launched a first-of-its-kind free text message youth e-cigarette quit program, which has already helped 40,000 subscribers on their journey to stop vaping. Through our community youth engagement efforts, we have helped more than 100 college campuses go tobacco-free in the past five years, protecting more than a million students, faculty and employees.

I'm also proud to share that a year ago, we put the force and experience of the **truth** campaign behind another public health threat — the opioid epidemic. Young Americans are particularly vulnerable to opioid misuse — an estimated 1,300 young adults misused an opioid prescription for the first time each day in 2017. In June 2018, we launched *The Truth About Opioids*, a powerful youth and young adult opioid misuse prevention, education and anti-stigma campaign in partnership with the Office of National Drug Control Policy and the Ad Council. This multi-platform **truth** campaign is already making a difference. For example, in Rhode Island, which has been so heavily hit by the crisis, we are seeing significant changes in key attitudes in as early as six months. While the true measure of success is ultimately lives saved, *The Truth About Opioids* campaign was recognized with an Emmy award for our video called "Treatment Box: Rebekkah's Story" — a true story dedicated to dramatically sharing the facts and reducing the stigma associated with the disease of addiction. The campaign has been viewed more than 38 million times, inspiring 1.1 million visitors to thetruth.com website and 1.9 million engagements, such as sharing a video or signing up for more information. We are committed to continuing our opioid misuse prevention and education efforts to reach young people with the facts they need to make informed decisions and help end this crisis.

On the research and policy side, researchers at the Truth Initiative Schroeder Institute® published 17 peer-reviewed papers and expanded our research into opioids. The policy team wrote 17 in-depth comments to regulatory agencies. We can see the influence of our work in the Food and Drug Administration's announcement of plans to move forward with rule-making concerning menthol cigarettes and flavors and initial efforts to restrict youth access to e-cigarettes. We have also seen strong public support for raising the age for tobacco sales to 21, which we have long supported, and states have been acting quickly to implement policies. To date, **16 states across the country and more than 470 localities** have adopted policies, including 10 states in just the first six months of 2019.





Our research also broke new ground in the study of tobacco in popular culture with our report, [“While You Were Streaming: Tobacco Use Sees a Renormalization in On-Demand Digital Content, Diluting Progress in Broadcast and Theaters,”](#) which revealed that 79% of shows most popular with young people aged 15-24 depicted smoking prominently. Well-documented studies show that youth and young adults with high exposure to tobacco imagery in movies are twice as likely to begin smoking as those with less. Our new research exposes how tobacco use in online streaming content is pervasive, rising and more prominent than in broadcast and cable programming.

Our community and youth engagement efforts continue to focus on tobacco-free communities, especially campuses, by supporting colleges and universities with the resources they need to go tobacco-free — and that includes vaping. We continued to train hundreds of young people to work in communities where tobacco use is highest, such as LGBTQ youth and youth in what we call [“Tobacco Nation”](#) states. As part of that effort, we built upon our partnerships with CVS Health, the NAACP and the Human Rights Campaign to help end tobacco use.

Our Innovations team made major enhancements to its growing enterprise level EX[®] Program, which provides commercial clients with proven quit tools. We now have more than 45 companies and institutions enrolled in our program covering thousands of employees. These innovative, digital programs have helped more than 800,000 people on their quitting journey and are now available through employers, health systems and insurers who have customized the EX Program for their employees and enrollees.

As we look at 2018 and its remarkable chapter in our history — a history that began with a state attorneys general victory in the landmark Master Settlement Agreement that transformed tobacco control forever and called for the creation of our organization — we remain dedicated to the work ahead and achieving the vision of the attorneys general to make tobacco use a thing of the past.

Our talented staff, dedicated board of directors and vital partners are proud of the work we have done together since our founding 20 years ago. But we are not letting up in our fight for a healthy future for the next generation. With two decades of research, success and activism under our belt, we



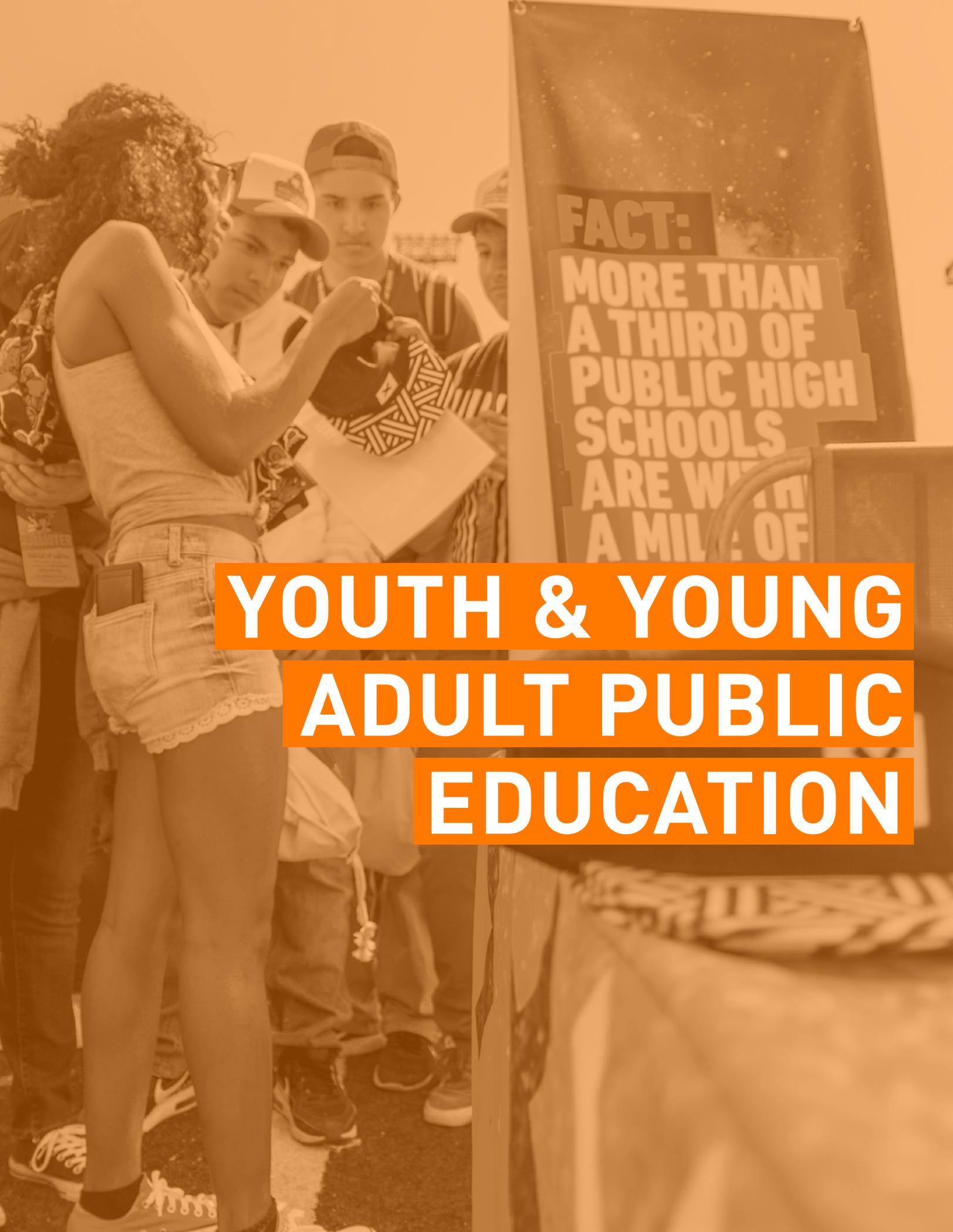
are committed to protecting our youth and nation against anyone who makes billions by harming millions. You can count on Truth Initiative to do what we do best — be bold, take risks and continue to make history all in pursuit of saving lives.

Sincerely,

Robin Koval

Robin Koval, CEO and President





**YOUTH & YOUNG
ADULT PUBLIC
EDUCATION**



SAFER ≠ SAFE

Last summer, we launched our first anti-vape national **truth** campaign with the theme Safer ≠ Safe to address the huge knowledge gap about e-cigarettes that exists among youth and young adults. While e-cigarettes may be safer than combustible ones for smokers who use them to quit or 100% switch, they are most definitely not safe — especially for young people.



This campaign has been our most successful to date in terms of social engagement, underscoring the desire on the part of young people to know more about e-cigarettes. Because our research shows that the majority of young JUUL users are not aware that the product always contains nicotine, the videos sent the message that the nicotine content of a JUUL pod (the device that contains liquid for vaping) is roughly equal to a pack of cigarettes and that youth who use e-cigarettes have four times the odds of starting to smoke cigarettes compared with their peers.

Safer ≠ Safe has racked up nearly 213 million video views and more than 3.7 million engagements (likes, shares or comments) on social media. Building on that impact, we are continuing to develop a steady stream of multi-platform content for young people that drives home “safer” does not equal “safe” by educating them about the risks of e-cigarettes and helping current users quit.

REACHING OUR AUDIENCE

The **truth** campaign amplifies its message through social media, current events and cultural moments to reach young people on multiple platforms. We partner with companies that produce products and services popular among youth to create culturally relevant, branded integration and content projects, enlisting the companies' organic voice to find new ways to connect with our audience.



EARTH DAY: BETTER BUTTS

Cigarette butts comprise 38% of all collected litter, making them the most prominently littered item in the U.S. Launched on Earth Day, the animated video “Better Butts” used humor to illustrate that littered cigarette butts leach toxic chemicals into the environment. The video was also included in the 2018 MTV Video Music Awards. To date, it has received more than 40 million views, and The Drum called it “the catchiest song about butts since Sir Mix-a-Lot rapped about his fondness for derrieres.”

THE CORRECTIVE STATEMENTS: BIG TOBACCO'S SAYING SORRY

Big Tobacco has been lying about the deadly effects of cigarettes and manipulating the American people for decades. After 11 years of appeals, four tobacco companies were finally forced to make corrective statements publicly admitting that cigarettes and tobacco products are deadly and addictive. A federal court required the statements to run in 50 newspapers around the country and on major broadcast networks. But as the tobacco companies dragged out the appeals process, youth media consumption habits changed; fewer young people would see the mandated ads in print or on TV. So, **truth** partnered with CollegeHumor to make a satirical country music style apology video that grabbed the attention of young people, much to Big Tobacco's dismay.

The video was viewed more than 4 million times on Facebook and YouTube and nearly tripled CollegeHumor's engagement benchmark on both platforms. The spot was praised by Campaign magazine and named an Editor's Pick by Ad Age.



INTEGRATIONS

THE ONION - “YOU TORCH, BRO?”

You lit *that* — and put it *where*? **truth** partnered with The Onion to develop a long-form video satirizing the vaping trend while incorporating our Safer ≠ Safe messaging. The video received more than 800,000 views, exceeding The Onion's engagement benchmarks by more than 20%.

MTV MOVIE & TV AWARDS - “CHAINSAW”

truth partnered with MTV to create a video that spoofed the classic TV/movie genre of horror by highlighting the impact of tobacco on the environment.

MTV VIDEO MUSIC AWARDS - “PYRO” & “WIRE”

To help extend the reach of our message, **truth** partnered with MTV to produce two integrations featuring our Safer ≠ Safe anti-vape messaging for the 2018 Video Music Awards.

THE GAME AWARDS - MELONIE MAC

We partnered with gaming influencer Melonie Mac to create a video that ran during The Game Awards in December. It highlighted the fact that young people who vape are four times more likely to go on to smoke cigarettes.

FLAVORS AND MENTHOL CIGARETTES

Flavors and menthol play a significant role in drawing youth and young adults to tobacco products. They improve the taste and mask the harshness of tobacco products, making them more appealing and easier for youth to try the product and ultimately get addicted.

We produced two videos to highlight the issue of flavors. “Making Menthol Black” is a hard-hitting video that shines a spotlight on how Big Tobacco manipulated and targeted the African American community, using found footage and headlines to examine the startling stats around menthol use. To date, it has received more than 5 million views. “Burn Through” focuses on how Big Tobacco uses fruit flavors to attract youth and young adults and distract from the 3,000 other chemicals in its products. We partnered with a 3D artist to create a colorful image that slowly, hypnotically burns through to reveal the truth behind its kid-friendly exterior. The video has been viewed more than 2 million times.

Both videos are available to our state and local partners to educate local communities and policymakers about flavored tobacco and menthol.

REACHING YOUNG PEOPLE WHERE THEY ARE

In addition to reaching young people online and through the media, **truth** also engages and educates them through personal interaction. In 2018, **truth** completed its penultimate summer on the Vans Warped Tour and partnered with BIGS Sunflower Seeds to create our first-ever **truth**-branded snacks.

The **truth** summer tour made 38 stops across the country at concerts and events that reached more than 40,000 youth and young adults. We deployed two iconic orange **truth** trucks and a branded shipping container with a total of 20 marketers, three DJs and 15,000 items of **truth** merchandise (which was voted “best merch” on the tour). At each tour, **truth** tour riders offered games, live music, contests and merch giveaways to share tobacco facts with fans while they rocked out to their favorite artists.

truth reached more than 1 million young people as part of its 19-year partnership with Vans, acquiring nearly 1,000 new campaign supporters each day of the tour, totaling nearly 35,000 the summer of 2018 alone. Other summer tour stops included the High School Nation tour and Pride events in Nashville and Atlanta.

One of the most unexpected items distributed by **truth** tour riders: mini bags of flavored BIGS sunflower seeds with the message “#ChewOnThis: Smoking Kills Your Taste Buds.” The giveaway helped to start conversations on the dangers of tobacco use and spread the message about how smoking can dull – or kill – taste buds by changing the blood supply they receive. And because they can help curb cravings, sunflower seeds are sometimes used by people trying to quit smoking or smokeless tobacco.

truth also partnered with Epiphone to donate 100 custom-designed guitars to select high schools in communities most heavily impacted by tobacco. The goal was to inspire teenagers to use their creativity as a force for change and speak out against Big Tobacco. The project came on the heels of the #WorthMore campaign that launched at the Grammy Awards. **truth** also partnered with outdoor gear brand Cotopaxi at its Questival 24-hour adventure races. Attendees visiting the **truth** zone at the races took part in mental and physical challenges to win **truth** merchandise.



THE TRUTH ABOUT OPIOIDS

Opioid misuse is one of the most critical public health issues of our time. Americans consume more prescription opioids per capita than any other nation in the world, and, every day, more than 130 people die from an opioid-related overdose.

Young people are particularly vulnerable to opioid misuse. Each day in 2017, an estimated 1,300 young adults misused an opioid prescription for the first time. Two decades of successfully combating youth tobacco use prepared us to join the fight and contribute to ending the opioid epidemic by sharing our expertise in youth and young adult education and prevention.

On June 7, 2018, after a year of formative work, Truth Initiative launched a public education **truth** prevention campaign, *The Truth About Opioids*, in partnership with the Office of National Drug Control Policy and the Ad Council. Youth and young adult prevention is a critical component to combating America's opioid crisis and *The Truth About Opioids* campaign aims to educate young people and destigmatize opioid dependence. The campaign communicates that this disease can happen to anyone by sharing true stories of young people and key facts to help prevent opioid misuse.

Preliminary results show that the campaign is effective at reducing stigma around opioid dependence. An evaluation of a Rhode Island test market found that people who reported seeing the videos were significantly more likely to agree that someone like them could become dependent on prescription opioids. The **truth** campaign is also motivating people to engage in a movement to find solutions to the opioid crisis. Those who recalled seeing the campaign videos were significantly more likely to say that they would be part of the solution to end the opioid epidemic and that taking a stand against prescription opioids is important to them.

The campaign is supported through donated media from top digital, social and linear platforms that align with young adults' media consumption, including Amazon, Facebook, Google, YouTube, NBCUniversal, Turner and Vice. The campaign's website, opioids.thetruth.com, includes information about opioids, the epidemic and a treatment locator.



KNOW MORE

The first installment of *The Truth About Opioids*, a multi-phased effort called “Know More,” featured first-person, true stories of young Americans with opioid use disorder. The content includes the fact that “opioid dependence can happen after just five days,” and asks young people to “share the truth and spread the truth” with their peers and communities.

“Know More” earned high-profile media coverage on NBC’s TODAY Show, NBC Nightly News, Snapchat Discover, USA Today and elsewhere. Truth Initiative also conducted a satellite media tour in conjunction with the U.S. surgeon general. Within two weeks of launch, the campaign garnered millions in earned media. Three-week rolling advertising awareness among 18-24-year-olds of at least one opioid ad reached 58%.

TREATMENT BOX: REBEKKAH’S STORY

Our second installment of *The Truth About Opioids*, “Treatment Box,” features an Emmy Award-winning video that brings viewers face to face with the truth about opioids by capturing 26-year-old Rebekkah’s experience with opioid addiction and her journey to recovery through a multiscreen installation in New York City and the emotional reactions of passersby.

The Truth About Opioids campaign has been viewed more than 94 million times, inspiring 1.9 million visitors to the **truth** website and 3.1 million engagements such as sharing a video or signing up to learn more.

5.8 million
youth and young adults
(aged 15-24) were prescribed
opioids in **2016.**





**RESEARCH
& POLICY**



20 YEARS OF UNCOVERING THE TRUTH THROUGH GROUNDBREAKING RESEARCH



The Truth Initiative Schroeder Institute is a leading and trusted voice in tobacco research that contributes to the organization's mission, core programs and policy priorities. Whether it's using rigorous science to minimize the harms of tobacco use, measuring effectiveness of Truth Initiative programs or identifying best practices for tobacco control, our groundbreaking research powers everything we do.

In 2018, we expanded our research to opioids, contributed in-depth comments to regulatory agencies and emerged as the leading voice on youth e-cigarette education, with our groundbreaking research and policy work centered on the explosive growth of vaping among youth. We shared research and information about ongoing priority areas such as menthol, quitting and tobacco use disparities by publishing 17 peer-reviewed papers and dozens of articles and fact sheets and delivering more than 50 presentations at conferences.

Odds of using JUUL

15- to 17-year-olds are

16x

more likely to use JUUL compared with those aged 25-34.



63% OF JUUL USERS DON'T KNOW THAT THE PRODUCT ALWAYS CONTAINS NICOTINE.



This research helps fill the vast knowledge gap on a variety of tobacco- and opioid-related topics and has made Truth Initiative a trusted thought leadership news resource generating millions of dollars' worth of earned media coverage.

THE E-CIGARETTE EPIDEMIC

In 2018, the surgeon general and leaders of the FDA and Health and Human Services declared youth e-cigarette use an epidemic following the 2018 National Youth Tobacco Survey, which found that 20.8% of high school students were current e-cigarette users, a jump of 78% in just one year among high school students and 48% among middle schoolers. In response, the FDA announced an enforcement action against retailers caught selling e-cigarettes and proposed to eliminate most fruity- and sweet-flavored e-cigarettes from non-age restricted shops like convenience stores and gas stations.

JUUL Labs rapidly emerged as the dominant maker of e-cigarettes, with sales rising more than sevenfold in one year, according to the Centers for Disease Control and Prevention. JUUL Labs claims that its products are only intended for adult smokers who are trying to quit, yet the company's marketing practices paint a sharply different picture. An analysis of JUUL advertising during its first three years on the market shows that it was "patently youth oriented," according to Stanford Research into the Impact of Tobacco Advertising at Stanford University School of Medicine. And then, in late 2018, in one of the least surprising moves

of the year, Altria — maker of Marlboro — made a \$13 billion, or 35%, investment in JUUL, saying it would use its distribution experience to get JUUL into more stores and its legal and regulatory experience to help JUUL navigate Washington and state legislatures. The investment prompted the FDA to question the authenticity of JUUL's (and Altria's) desire to curb youth vaping.

Truth Initiative research has helped the public and policymakers understand the nature and extent of this epidemic. Truth Initiative research published in 2018 found that:

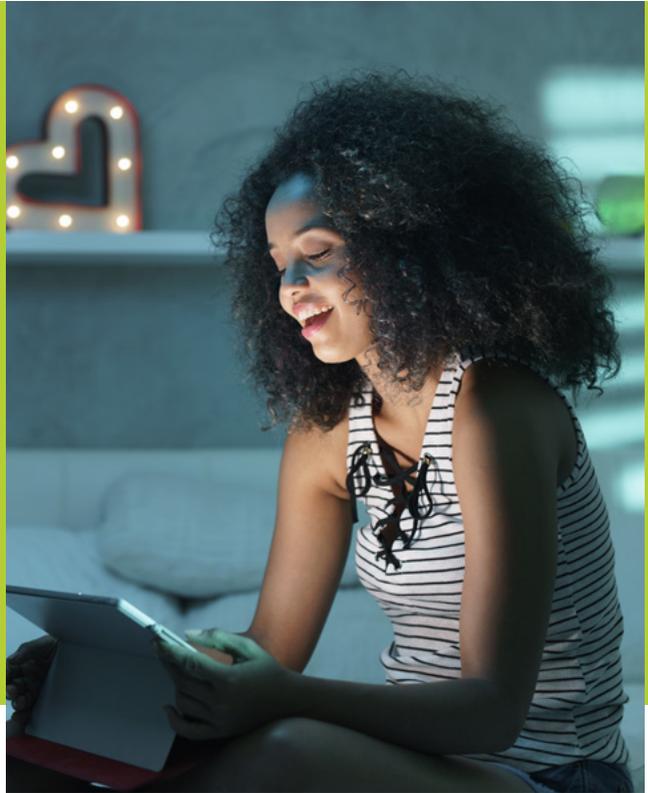
- One-quarter of youth and young adults recognized a JUUL e-cigarette device.
- Nearly two-thirds of JUUL users did not know that the product always contains nicotine.
- Younger teenagers (aged 15-17) have 16 times greater odds to be current JUUL users than adults aged 25-34. The study, published in Tobacco Control, was the first national probability-based sample of youth and young adults on prevalence and use patterns of JUUL.
- More than half of 15- to 17-year-olds who used a JUUL in the past 30 days reported using the device on three or more days, according to the Tobacco Control study. This suggests that many teens are not just experimenting, but on a path to addiction.
- About three-quarters of JUUL users said they had obtained their e-cigarettes from a retail location, while about half said they obtained them from a social source such as a friend or family member.

Our research has exposed e-cigarette makers' youth marketing tactics, educated parents and kids about the dangers of e-cigarettes and guided youth and their parents toward e-cigarette quit programs.

We were also highly involved in policy education around e-cigarettes. Our policy statements have helped guide the thinking around e-cigarettes and the reaction to the Altria/JUUL investment. We were one of seven public health and medical groups to file a lawsuit in March 2018 challenging the FDA's decision allowing e-cigarettes and cigars to stay on the market for years without being reviewed by the agency. In May 2019, a federal judge ruled in our favor, saying that the FDA acted illegally when it delayed the deadline for e-cigarette manufacturers to submit these applications to 2022.



IN-DEPTH RESEARCH AND ANALYSIS



In response to the growing depictions of tobacco use in pop culture, in March 2018 we released [“While You Were Streaming: Tobacco Use Sees a Renormalization in On-Demand Digital Content, Diluting Progress in Broadcast & Theaters,”](#) which made front-page news in USA Today as it exposed the prevalence of tobacco imagery in streaming content popular among youth. Research shows that youth and young adults with high exposure to tobacco imagery are twice as likely to begin smoking.

In June, nearly 100 public health experts and youth convened for a Kenneth E. Warner Series discussion of tobacco imagery in culture, with more than 400 watching the event online. In addition, the Truth Initiative Schroeder Institute conducted research and published papers on topics including the IQOS “heat-not-burn” device, youth tobacco use, the effectiveness of the **truth** campaign and JUUL use among teens.

The policy team submitted 17 regulatory comments in areas including tobacco product standards for nicotine levels in combustible cigarettes, flavors

in tobacco products, premium cigars, IQOS and quitting programs. Our comments helped influence the FDA’s recent announcement that it plans to move forward with bans on menthol cigarettes and flavored cigars, as well as in its initial efforts to restrict youth access to e-cigarettes. We have also participated in agency convenings on e-cigarettes and helping young people quit, including testifying at a January public hearing held by the FDA on eliminating youth e-cigarette use. In addition, the policy team published resources for our tobacco control partners, including policy statements and state fact sheets, which are the most-accessed resources on our website.

In a major victory in the fight against tobacco, a federal court in March 2019 ordered the FDA to issue a final rule mandating graphic health warnings on cigarette packs and advertising within a year. Truth Initiative joined a 2016 suit arguing that the agency had unreasonably delayed the requirements. Studies have shown that graphic warnings prevent nonsmokers from smoking and motivate smokers to quit.



SCHROEDER INSTITUTE PEER-REVIEWED PUBLICATIONS

Effects of the truth FinishIt Brand on Tobacco Outcomes. Preventative Medicine Reports

Longitudinal Tobacco Use Transitions Among Adolescents and Young Adults 2014-2016. Nicotine and Tobacco Research

Swisher Sweets "Artist Project": Using Musical Events to Promote Cigars. Tobacco Control

Harm Perceptions of Menthol and Nonmenthol Cigarettes Differ by Brand, Race/Ethnicity, and Gender in US Adult Smokers: Results from PATH Wave 1. Nicotine Tobacco Research

Tobacco Harm Perceptions and Use Among Sexual and Gender Minorities: Findings From a National Sample of Young Adults in the United States. Addictive Behaviors

Adolescent Tobacco Coupon Receipt, Vulnerability Characteristics and Subsequent Tobacco Use: Analysis of PATH Study, Waves 1 and 2. Tobacco Control

School-Level Disadvantage and Failed Cessation Treatment Among Adolescent Smokers. Tobacco Prevention and Cessation

The Relationship Between Past-Month Marijuana, Cigarette, and Cigar Use Among Older Adults in the United States. Tobacco Prevention & Cessation

Mobile Phone Ownership is Not a Serious Barrier to Participation in Studies: Descriptive Study. JMIR mHealth Uhealth

Recognition, Use, and Perceptions of JUUL Among Youth and Young Adults. Tobacco Control

Examining Perceptions About IQOS Heated Tobacco Product: Consumer Studies in Japan and Switzerland. Tobacco Control

The Association Between Menthol Perceptions and Support for a Policy Ban Among U.S. Smokers. Ethnicity and Disease

Estimating the Pathways of an Antitobacco Campaign. Journal of Adolescent Health

Smokie Selfies: Using Instagram to Explore Young Women's Smoking Behaviors. Social Media + Society

Cost and Threshold Analysis of the FinishIt Campaign to Prevent Youth Smoking in the United States. Int J Environ Res Public Health

Patterns in First and Daily Cigarette Initiation Among Youth and Young Adults From 2002 to 2015. PLoS One

The Association Between Menthol Perceptions and Support for a Policy Ban Among US Smokers. Ethnicity and Disease

Population Patterns of Alcohol, Marijuana, and Tobacco Use and Co-Use in US Young Adults and Adults: Results from Wave 1 of the Population Assessment for Tobacco and Health. American Journal on Addictions

Estimating the Pathways of an Antitobacco Campaign. Journal of Adolescent Health

Managing Nicotine Without Smoke to Save Lives Now: Evidence for Harm Minimization. Preventative Medicine

High-Nicotine E-Cigarettes: Benefits and Risks. JAMA

History and Current Trends in the Electronic Nicotine Delivery Systems Retail Marketplace in the United States: 2010-2016. Nicotine Tobacco Research

Prevalence and correlates of JUUL use among a national sample of youth and young adults. Tobacco Control



**COMMUNITY
& YOUTH
ENGAGEMENT**



FROM ONE GENERATION TO THE NEXT



The Community and Youth Engagement program amplifies the impact of our **truth** campaign online and through youth leadership development, on-the-ground action and creative partnerships and grants. We inspire and mobilize young people we call “Finishers” to serve as drivers of social change and empower individuals, coalitions and organizations to take action in their communities to end tobacco use for good. Truth Initiative is training and empowering the next generation of tobacco control and public health leaders to make a positive impact in communities of color and among low-income populations where tobacco use is significantly higher. We now have more than 775,000 young people who have enlisted in our movement and signed up to receive updates about how to get involved.



In 2018, Truth Initiative kept the pressure on pharmacies to take tobacco out of their stores. We also continued our focus on colleges by supporting historically black colleges and universities, minority-serving institutions and women’s and community colleges with the resources they need to go tobacco-free, and we trained hundreds of young people to work in communities where tobacco use is higher. As part of that effort, we built upon partnerships with the NAACP, Human Rights Foundation, the Girl Scouts Nation’s Capital Council, CVS Health and others.

TAKING TOBACCO OUT OF PHARMACIES

Pharmacies are a trusted source of health information and services, yet, as of 2016, more than 50,000 pharmacies, including Walgreens, still sell tobacco. For the third straight year, we attended Walgreens' annual shareholder meeting to urge the company to end tobacco sales in its stores. Two pharmacists and a youth advocate joined the Truth Initiative team to speak on behalf of more than 19,000 young people who signed a petition to ask for the removal of tobacco from store shelves nationwide.

The team also shared results from a recent qualitative study in which a majority of pharmacists – including those who currently work at Walgreens – supported a restriction on tobacco sales at Walgreens. In the study, pharmacists who worked in stores with a ban felt it had a positive effect on customer health. Pharmacists have spoken out on this issue in the past: The American Pharmacists Association strongly advocates for a tobacco-free policy.

73%

of Walgreens shoppers favored a tobacco ban by the chain.

The appearance was part of a series of activism efforts aimed at pharmacies that continue to sell tobacco. Building off our successful 2017 zombie protest, where youth activists dressed like zombies and demonstrated outside a Walgreens store to symbolize the deadly health effects of tobacco products and why tobacco and pharmacies don't mix, we once again called for Walgreens to protect its customers and stop selling tobacco. We collaborated on five zombie protests called "Not Happy or Healthy" – a play on the company's long used tagline, "At the corner of happy and healthy" – around the country at Walgreens stores.

27%

said they would shop at Walgreens more often if it banned tobacco.

According to a Truth Initiative survey released in early 2018, nearly three-quarters of Walgreens shoppers favored a tobacco ban by the chain. In April 2018, Walgreens stopped selling cigarettes at all 17 of its Gainesville, Florida, stores as part of a pilot program, which was a promising step toward removing tobacco from all stores. Yet Walgreens is still the worst offender among pharmacy chains caught selling tobacco to minors, according to a report published in JAMA Pediatrics. The report found that the FDA caught Walgreens selling tobacco products to minors in 10% of inspections. Due to our ongoing efforts, Walgreens recently announced that customers must be 21 to purchase tobacco products in its stores. However, this act falls far short of what the company should do: remove tobacco products entirely from its stores. We will continue to keep up the pressure.

Walgreens sold tobacco products to minors

1,296
times

during undercover inspections.

TOBACCO-FREE COLLEGES

College campuses are a crucial battleground in the fight to curb tobacco in the U.S., because virtually all smokers start smoking before they turn 26 years old. Since 2015, Truth Initiative has awarded funding to historically black colleges and universities, minority-serving institutions and community colleges to develop and implement a 100% smoke- or tobacco-free policy through our Tobacco-Free College Program. Grantees receive guidance through webinars and one-on-one consultations throughout the grant period.

Since the launch of this program, we have awarded funding to 183 academic institutions, including 83 in partnership with the CVS Health Foundation. To date, 101 of these colleges have gone smoke- or tobacco-free, impacting over a million students, faculty and employees.

In 2018, 36 colleges and universities were awarded grants of up to \$20,000 from this program. Fifteen of our grantees from previous years made their campuses smoke-free. These schools join the 2,375 smoke-free campuses in the U.S. tallied by the American Nonsmokers' Rights Foundation as of July 2019.

We educated and empowered 93 college students from 23 states to serve as leaders on their respective campuses and galvanize the tobacco control movement through the power of advocacy and organizing. In May and November 2018, we convened dozens of staff, college leaders and students from our grantee institutions to build networks and partnerships as they began their campus efforts. Attendees participated in presentations and discussions on how to build a tobacco-free movement, and students trained with a **truth** experience to enable them to lead advocacy actions on their campus.

WOMEN'S COLLEGES NOW ELIGIBLE

In 2018, **truth** expanded Tobacco-Free College Program grants to women's colleges in recognition of how young women have been targeted by the tobacco industry. More than 200,000 women die of tobacco-related diseases each year, and women have been slower to quit than men. As of mid-2018, 10 of 38 women's colleges have 100% tobacco-free policies in place as our push continues.

CAMPUS TOUR AND RALLIES

In September 2018, **truth** kicked off a new college tour, making five stops at colleges around the country to educate students about the value of smoke-free campuses. The tour culminated in October with the **truth** X IT OUT Rally, the first smoke-free silent protest. At 17 colleges, students protested for 112 minutes to symbolize the 112 people who die every day from secondhand smoke.

183
colleges
& universities
awarded grants

101
colleges
have gone smoke-
or tobacco-free

1.03M
student, faculty
and staff members
are now protected
through the program

REINVENT THE REEL

In response to the rapid rise of onscreen smoking imagery and to help change the picture, 10 youth-serving groups received grants of up to \$2,500 through the “Reinvent the Reel” grant program from Truth Initiative and Trinity Health in 2018. The grants were used to educate and engage young people about tobacco use in movies. For example, the Indiana Black Expo, Inc. Youth Media Institute created a video PSA called “[Change How We Are Exposed.](#)” The group has shown the video at speaking engagements and partnered with the Boys & Girls Club to hold events featuring educational presentations and games and the screening of a tobacco-free film.

Reinvent the Reel grantees also advocated for entertainment companies to implement an R rating for movies with smoking, a move that would lead to an 18% decline in teen smoking and prevent up to a million deaths among children and teens alive today, according to the CDC. In May 2018, the Community and Youth Engagement team took Reinvent the Reel grantees to Capitol Hill where they had 16 meetings at congressional offices to discuss the issue of smoking in movies and the impact on youth smoking initiation.



37%
of adolescent smoking

can be attributed to
images seen in movies.



ADDRESSING DISPARITIES THROUGH ACTIVISM

Youth activism is a vital avenue for addressing the disproportionate use of tobacco across the U.S. and among vulnerable populations. With the help of partner organizations, our committed youth activists mobilized young people to make a difference through trainings, presentations, block parties, health fairs, social media and more. Altogether we inspired more than 19,000 youth to become Finishers committed to taking action toward ending tobacco for good.

TOBACCO NATION

In 2017, Truth Initiative coined the term “Tobacco Nation” to represent the 12 contiguous states within the U.S. where the smoking rate far exceeds that of the rest of the country. Many of our youth activism efforts were focused on states within Tobacco Nation. For example:

- In **Indiana**, through our community leaders on the ground, we enlisted more than 2,000 local youth and young adults. Our community leaders led and attended events across the greater Indianapolis metropolitan area, educating more than 6,000 young people on the harmful effects of tobacco and the need to raise the tobacco buying age to 21. Our community outreach specialist also partnered with key priority groups, such as the Latino Health Organization and the Indiana Youth Group, an organization that serves youth in the LGBTQ community, in events throughout the year. In 2018, Indianapolis Pride went smoke-free, and **truth** was there with volunteers from both groups to educate participants and celebrate the victory.
- In **Tennessee**, we launched a new grant program for eight rural and urban youth groups, including Clear the Air Tennessee, that will educate and mobilize youth on smoke-free environments and secondhand smoke. In June, community outreach team members attended the TN Strong conference in Chattanooga, which focused on education and tobacco use prevention among high school students in Tennessee.
- In **Georgia**, our team recruited 12 community leaders who worked closely with the Smoke Free Atlanta coalition to educate constituents on the harmful effects of tobacco and secondhand smoke in bars and restaurants. Our community leaders also began a campaign on the Georgia State University campus to enforce their smoke-free policy.

LGBT YOUNG ADULTS

aged 18-24 are
nearly twice as
likely to smoke as
their straight peers.

LGBT

STRAIGHT

2x

LGBTQ COMMUNITIES

Research shows that LGBTQ adults smoke at rates up to 2.5 times higher than heterosexual adults, and more than twice as many lesbian, gay and bisexual students in grades nine through 12 have smoked a cigarette before the age of 13, compared with their heterosexual peers. These disparities are in part due to targeted marketing by Big Tobacco. Our Community and Youth Engagement program works with the Human Rights Campaign Foundation and other organizations on anti-tobacco efforts including:

- In Orlando, Florida, Truth Initiative hosted a booth at the Human Rights Campaign Foundation's Time to Thrive national conference to promote safety, inclusion and well-being for LGBTQ youth. The team provided information for adults who work with LGBTQ youth, and former Truth Initiative youth activism fellows conducted youth trainings on tobacco as a social justice issue.
- LGBTQ students from across Indiana gathered in Indianapolis for the annual Indiana Youth Summit. Truth Initiative sponsored the gathering. We also supported LGBTQ youth by sponsoring Queer Youth Night, an Indy Pride event in Indianapolis.



NAACP

The Truth Initiative partnership with the NAACP includes working with one college chapter from each NAACP region to develop a grassroots menthol counter-marketing campaign. In 2018, the Community and Youth Engagement team trained more than 85 student leaders from five NAACP college chapters – Albany State University, Indiana State University, Tennessee State University, Northern Kentucky University and Huston Tillotson University – to implement campaigns on campus and recruit their peers to join the movement to ban menthol. We also spoke on several panels at these schools about the impact of menthol on African American communities and the steps necessary to increase education and awareness of this issue.



NEW PARTNERSHIPS

GIRL SCOUTS NATION'S CAPITAL COUNCIL

We partnered with Girl Scouts Nation's Capital to engage more than 2,000 girls in the fight against tobacco. The first-of-its-kind "Earth Defender" curriculum teaches Girl Scouts about the environmental impact of tobacco and the facts about smoking. This program is being integrated into a variety of camp settings for Girl Scouts of all ages. Participants received an Earth Defender patch and cape to celebrate completing the program. Earth Defenders is a pilot program that could expand in future years.

YOUNG INVINCIBLES

Truth Initiative is partnering with Young Invincibles, a nonprofit committed to expanding opportunities for Americans aged 18-34 on issues including higher education, health care and jobs. Young Invincibles aims to expand its consumer education program to include information and resources on tobacco prevention and quitting and to engage its constituents in tobacco-free advocacy. Young Invincibles and Truth Initiative will work together to build out education and advocacy programs and train college leaders to advocate for tobacco-free environments.



2018-19 YOUTH LEADERSHIP DEVELOPMENT

The Truth Initiative Youth Activism Fellowship is an intensive, yearlong leadership development program. Fellows engage in interactive, skill-building trainings that focus on tobacco and social justice, community organizing and effective communication. These trainings equip youth leaders with the knowledge, tools and resources needed to design and implement effective tobacco prevention campaigns in priority communities.

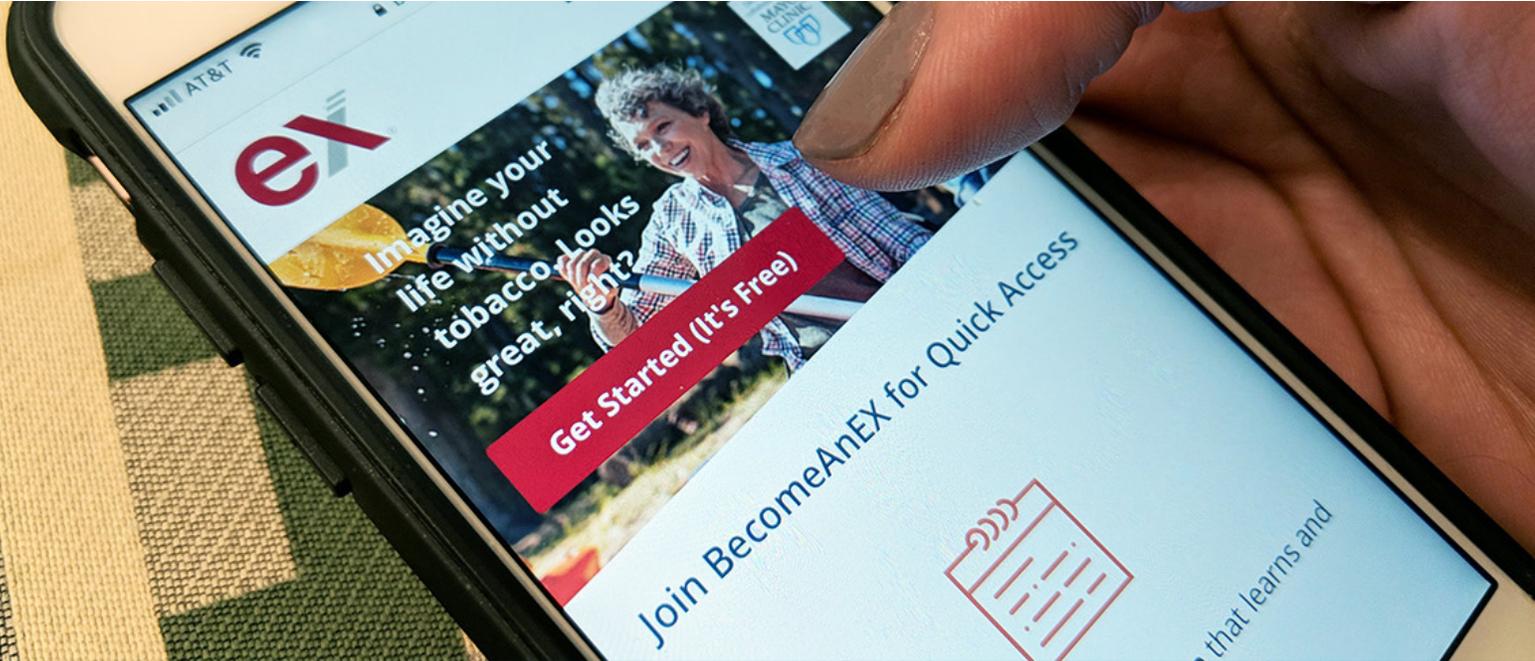
The 2018-19 fellowship class included 29 young adult activists. The fellows trained hundreds of high school students in Indianapolis, St. Louis, Nashville and Cleveland on topics including tobacco as a social justice issue, menthol, tobacco-free environments and tobacco in popular culture. The program culminated in a trip to Washington, D.C., during which activists visited the offices of 12 members of Congress and screened the documentary “Black Lives / Black Lungs” in partnership with the NAACP.

YOUTH AMBASSADORS

In December 2018, our Youth Activism Fellowship transitioned to become the **truth** Ambassadors program, a yearlong leadership program for passionate tobacco control advocates to amplify their work. **truth** Ambassadors have previous experience with tobacco control advocacy and are especially passionate about making their communities tobacco-free and mobilizing their peers to achieve this goal. Ambassadors must create a project that educates people about the harmful impacts of tobacco, engage youth and young adults in their communities and mobilize peers for the **truth** National Day of Action. They receive financial support to create and promote projects that inspire tobacco-free communities.



INNOVATIONS



20 YEARS OF INNOVATION



The Innovations center at Truth Initiative leverages the latest technologies to develop programs to quit smoking and vaping. We design, build and deploy digital applications that help youth and adults successfully end their addiction. Our flagship digital quit-smoking program, BecomeAnEX®, has helped more than 800,000 people on their journey to quit smoking. Not only do these innovative products save lives, they also generate revenue to fund our organization's mission-driven programs.

Innovations broke new ground this year when it developed the nation's first text message program to help e-cigarette users of all ages quit vaping. The program also supports parents of young e-cigarette users to help their child quit. The enterprise-level EX Program expanded its client base and launched new features for tobacco users. The Innovations center was active in National Institutes of Health-funded research and published findings demonstrating the reach of BecomeAnEX in rural areas, where the need is greatest.

SICK OF FEELING CHAINED TO YOUR JUUL?

DONE SPENDING MONEY ON PODS?

TIRED OF HOW VAPING MAKES YOU LOOK AND FEEL?

Text QUIT

to **(202) 804-9884**

Free, confidential, judgment-free texts

+

Tips, advice and inspiration

truth x QUITTING



THE NATION'S FIRST QUIT-VAPING PROGRAM

Of the more than 3.6 million youth who currently use e-cigarettes, an untold number are at risk of nicotine dependence. The constant cravings can drain their savings and turn their lives upside down. Many youth who use e-cigarettes don't consider themselves smokers, don't understand the addictive power of nicotine and find it harder than expected to quit. They also find quitting to be an isolating experience because so many peers vape. Until recently, there have not been quitting resources specifically for e-cigarettes.

In January 2019, we introduced a first-in-the-nation digital quit-vaping program, which combines our insights from years of experience helping tobacco users quit. The program was created with input from teens, college students and young adults who have attempted to quit or successfully quit e-cigarettes. It is delivered via text messaging, which is a proven, powerful strategy to deliver health behavior change interventions. It provides a discreet and anonymous approach to quitting without involving parents or friends, which many youth prefer.

The free text message program is tailored by age group to give appropriate recommendations about quitting. The program has been integrated into the already successful [This is Quitting](#) program. To access This is Quitting, users simply need to text "QUIT" to 706-222-QUIT.

In early 2019, Mashable helped spread the news of our quit-vaping program through its Snapchat channel. As soon as the story posted, thousands of youth and young adults enrolled, underscoring the tremendous need for the program. Schools and other youth-serving organizations have been promoting the program to the young people they serve and reaching out to Truth Initiative for guidance in promotion and licensing. The program currently has more than 42,000 enrollees and is growing rapidly.

**HIGH
DEMAND**

42,000+
enrollees

in quit vaping program

THE EX PROGRAM GROWS

The EX Program is Truth Initiative's enterprise digital quit-tobacco solution that expands on BecomeAnEX, our highly successful, free consumer platform that has helped more than 800,000 smokers quit since its 2008 launch. The EX Program increases the reach of a proven quitting program while generating revenue for our organization.

EX Program participants get access to a comprehensive quitting program sponsored by their employer. This includes live chat coaching and nicotine replacement therapy shipped directly to their home. They also receive a suite of evidence-based quitting tools and access to a thriving online community of thousands of current and former smokers for 24/7 peer support. New features added in 2018 include text message programs to deliver tailored support to pregnant women and new moms, advanced nicotine replacement therapy support to users who opt to use medication and support for adults to quit vaping and parents who want to help their children quit.

To continue building awareness of the EX Program and showcase our thought leadership to human resource professionals, benefits consultants and health plan leaders, the team delivered seven webinars, created eight white papers and disseminated 19 blog posts in 2018. Along with these outreach activities, the EX Program website was expanded to feature this new content alongside enhanced detail regarding our partnership with Mayo Clinic. In early 2019, the team launched a new e-commerce platform with promotional materials and a workbook that can be purchased by organizations looking to provide resources to tobacco users.



As a result of these activities and more, the EX Program client base grew to 44 clients with more than 194,398 employees. It has been purchased by increasingly larger clients, including a health care organization with more than 5,000 employees and a health system/municipality pair with approximately 86,000 eligible participants. Additional new clients include several manufacturing companies from Michigan, a Tobacco Nation state with a high adult smoking rate.

The EX Program also expanded its reach via partners and resellers who will increase distribution of the program through resale. Our first reseller agreement was established with Wellable, a digital wellness provider committed to addressing the toll of tobacco among its member base.

EX Program clients receive year-round support in driving engagement in the program through seasonal promotional campaigns and assistance in implementing a quit-tobacco incentive. The EX Program client success team also reviews detailed reports on employee engagement and outcomes and works with clients to adjust their communication and outreach strategies as needed. Our client satisfaction surveys are consistently positive and the EX Program retention rate remains high.

EX PROGRAM CLIENT INDUSTRIES

- Health care
- Recreation
- Education
- Manufacturing
- Agriculture
- Hospitals & clinics
- Construction
- Finance
- Hospitality
- Commercial & residential construction
- Real estate
- Consumer goods
- Nonprofit
- Pharmaceuticals
- Government
- Retail

SHARING INSIGHTS

All Innovations products are grounded in rigorous, field-leading research. In 2018, the team presented at 10 conferences around the country attended by researchers, medical professionals, user experience designers, human resources managers and others. Innovations researchers shared insights about designing, evaluating and promoting effective digital quit interventions.

At the same time, the team has led or collaborated on six NIH-funded trials and research contracts and published 11 peer-reviewed manuscripts. Among the findings in these papers:

- In 2017, 36% of smokers — or about 12 million smokers — looked online for information about quitting every year. Researchers examined 12 years of data from the National Cancer Institute's Health Information National Trends Survey, which also showed that this number has steadily increased since 2005.
- Rural smokers are overrepresented among BecomeAnEX users, relative to residents of metro areas. This is important because rural areas often have higher smoking rates and reduced access to other forms of quitting treatment.

In January 2019, the Innovations team testified at a public hearing held by the FDA on eliminating youth e-cigarette use with a focus on the potential role of drug therapies to support quitting among youth. We emphasized the importance of behavioral and social factors in e-cigarette and other tobacco product use and shared details on our new quit-vaping program.

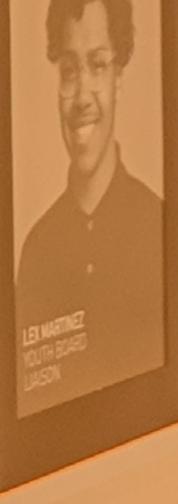
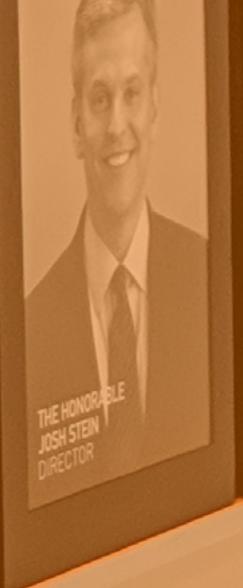
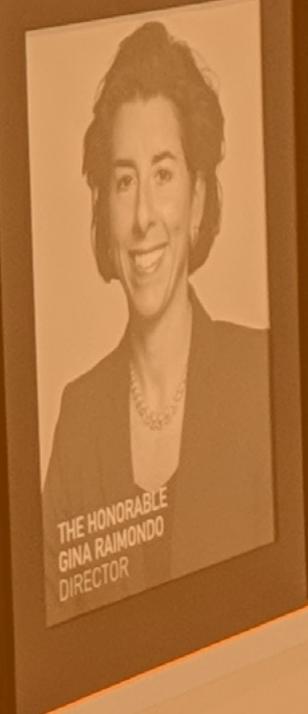
**GOOGLING
HOW
TO QUIT**

more than
12 million
U.S. adults

turn to the internet each year
for help quitting smoking.



FINANCIALS & BOARD OF DIRECTORS



TRUTH INITIATIVE AND AFFILIATE CONSOLIDATED BALANCE SHEETS

JUNE 30, 2018 AND 2017 (IN THOUSANDS)

ASSETS		2018		2017
Cash and cash equivalents	\$	117,004	\$	129,379
Investments		842,898		855,240
Accrued interest receivable		287		262
Grants receivable		342		767
Prepaid expenses		1,612		940
Trades to be settled		24		806
Property and equipment, net		6,551		7,052
1724 Mass. Ave. building, net		23,617		24,278
Other assets		141		318
Total	\$	992,476	\$	1,019,042

LIABILITIES AND NET ASSETS

Liabilities:

Accounts payable and accrued expenses	\$	17,513	\$	11,109
Liability on interest rate swap agreement		3,439		4,667
Deferred rent		4,952		5,310
Deferred revenue		241		29
Refundable advance		1,202		213
Other liabilities		1,191		1,109
Loan payable		60,000		60,000
Total liabilities	\$	88,538	\$	82,437
Net assets - Unrestricted		903,938		936,605
TOTAL LIABILITIES AND NET ASSETS	\$	992,476	\$	1,019,042

TRUTH INITIATIVE AND AFFILIATE CONSOLIDATED STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2018 AND 2017 (IN THOUSANDS)

REVENUE AND SUPPORT		2018		2017
Rental income	\$	2,417	\$	2,224
Sponsored projects and other income		2,905		3,728
Investment income, net of fees		72,510		105,548
Settlement proceeds:				
Public education		148		226
Total revenue and support	\$	77,980	\$	111,726
EXPENSES				
Program expenses:				
Counter marketing and public education	\$	71,688	\$	69,282
Communications		4,777		4,609
Truth Initiative Schroeder Institute		8,431		11,671
Innovations		5,323		3,850
Community and youth engagement		4,409		4,055
Program grants		3,972		2,656
Other programs		1,127		1,127
	\$	99,727	\$	97,250
Supporting services:				
General and administrative	\$	9,792	\$	8,848
Building expenses		1,128		212
TOTAL EXPENSES	\$	110,647	\$	106,310
Change in net assets	\$	(32,667)	\$	5,416
NET ASSETS				
Beginning	\$	936,605	\$	931,189
Ending	\$	903,938	\$	936,605

TRUTH INITIATIVE AND AFFILIATE CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017 (IN THOUSANDS)

CASH FLOWS FROM OPERATING ACTIVITIES:	2018		2017	
Change in net assets	\$	(32,667)	\$	5,416
Adjustments to reconcile change in net assets to net cash used in operating activities:				
Realized and unrealized gain on investments	\$	(60,055)	\$	(95,153)
Other investment gain		(5,217)		(5,697)
Depreciation		2,214		1,623
Change in interest rate swap agreements		(1,228)		(2,283)
Changes in assets and liabilities:				
(Increase) decrease in:				
Accrued interest receivable		(25)		635
Other assets		177		281
Prepaid expenses		(672)		(604)
Grants receivable		425		(68)
Increase (decrease) in:				
Accrued expenses		6,404		(1,203)
Deferred revenue		212		29
Deferred rent, net		(358)		427
Trades to be settled		782		(1,413)
Refundable advance		989		213
Other liabilities		82		(333)
Net cash used in operating activities	\$	(88,937)	\$	(98,130)

TRUTH INITIATIVE AND AFFILIATE CONSOLIDATED STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2018 AND 2017 (IN THOUSANDS)

CASH FLOWS FROM INVESTING ACTIVITIES:	2018		2017	
Proceeds from sale of building	\$	-	\$	19,850
Purchase of property and equipment		(1,052)		(1,878)
Proceeds from sale of investments		214,524		259,315
Purchases of investments		(136,910)		(187,044)
Net cash provided by investing activities	\$	76,562	\$	90,243
CASH FLOWS FROM FINANCING ACTIVITIES:				
Draws on line of credit	\$	-	\$	60,000
Net cash provided by financing activities		-		60,000
Net (decrease) increase in cash and cash equivalents	\$	(12,375)	\$	52,113
CASH AND CASH EQUIVALENTS:				
Beginning	\$	129,379	\$	77,266
Ending	\$	117,004	\$	129,379
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:				
Cash paid for interest	\$	1,718	\$	1,574
Cash paid for income taxes	\$	26	\$	47

BOARD OF DIRECTORS

AS OF DECEMBER 2018

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Flowood, Mississippi

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KATELYND TODD (YOUTH BOARD LIAISON)

University of California, Berkeley, Alum
Berkeley, California

ROBIN KOVAL EX-OFFICIO

CEO & President
Truth Initiative

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New York State Senator
Albany, New York
Term ended December 2018

THE HONORABLE GEORGE JEPSEN

Attorney General of Connecticut
Hartford, Connecticut
Term ended January 2019

NANCY LUBLIN

Founder and CEO, Crisis Text Line
New York, New York
Term ended December 2018

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AS OF DECEMBER 2018

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CEO and President

ERIC ASCHE

Chief Marketing and Strategy Officer

DERRICK BUTTS

Chief Information Officer

DAVE DOBBINS

Chief Operating Officer

ROBERT FALK

General Counsel and Corporate Secretary

AMANDA GRAHAM

Senior Vice President, Innovations

TRICIA KENNEY

Chief Communications Officer

ANTHONY O'TOOLE

Chief Financial and Investment Officer

ANNA SPRIGGS

Chief of Human Resources and Administration

AMY TAYLOR

Senior Vice President, Community and Youth Engagement

DONNA VALLONE

Chief Research Officer, Truth Initiative Schroeder Institute