2023 ANNUAL REPORT





BUILDING A TOBACCO-FREE FUTURE WHERE ANYONE CAN QUIT

MOBILIZING ACTION AND INSPIRING A GENERATION



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LETTER FROM CEO & PRESIDENT KATHY CROSBY

In October 2023, I had the honor of becoming CEO & President of Truth Initiative[®], a transition that felt like coming home. Nearly 25 years ago, as an advertising agency partner, I helped launch the iconic **truth**[®] campaign, which ignited my passion for driving behavioral changes that lead to healthier lives. I am thrilled to now lead the organization and witness its incredible impact firsthand.

Truth Initiative has played a significant and undeniable role in one of the biggest public health victories in modern history — reducing youth smoking prevalence from 23% in 2000 to a historic low of around 2% today. As leaders in preventing youth and young adult nicotine addiction and empowering quitting for all, we are well equipped to continue making public health history as we mark our 25th anniversary. Our market-leading cessation programs are poised to help millions of people improve the quality of their lives and strengthen the overall health of the nation. With our legacy of success, I am confident we can do this.

Some of our key accomplishments from 2023 detailed in this report include:

 Prevention and education: Our work exposed the marketing tactics of the tobacco industry in provocative, creative, and innovative ways, deterring initiation and encouraging quitting. We demonstrated that greater awareness of the truth campaign led to significantly lower e-cigarette use among youth and young adults in the first peer-reviewed study of its kind. We are working to prevent youth and young adult nicotine addiction and empower quitting for all, and we are poised to help millions of people improve the quality of their lives and strengthen the overall health of the nation.

- Community and youth engagement: We empowered young people in communities and on campuses across the country to take action to drive policy change. In schools, our curriculum Vaping: Know the truth has reached more than 1 million students to date, and we launched a new curriculum Prescription Drug Safety: Know the truth with vital new fentanyl lessons.
- Cessation treatment: Our proven-effective tobacco dependence treatment programs are helping people of all ages across the U.S. on their journeys to overcome nicotine addiction. Our youth-focused vaping cessation program remains the market leading solution, with nearly 750,000 13- to 24-year-olds enrolled as of the end of 2023 and the only published evidence of effectiveness for young adults. Our adult-focused cessation solution EX reaches millions of tobacco users through our free, nationally available solution and strategic partnerships with employers, health plans, and health systems in our B2B work.
- Groundbreaking research: Our Schroeder Institute and Innovations researchers conducted groundbreaking studies, publishing 42 peer-reviewed articles in leading academic journals. We advanced science on the changing e-cigarette market, the effectiveness of flavored tobacco policies, how the increasing number

of tobacco depictions in entertainment and on social media are negatively impacting youth, and digital cessation treatment.

Addressing health disparities: Confronting the tobacco industry's targeting of Black Americans and other communities with menthol cigarettes and flavored cigars remains an organizational impertative. Our cessation programs are designed with these disparities in mind, and have been shown to work equally well across demographic groups. We also continue to advocate for the federal government to follow through on eliminating youth-appealing illicit e-cigarette products from the market.

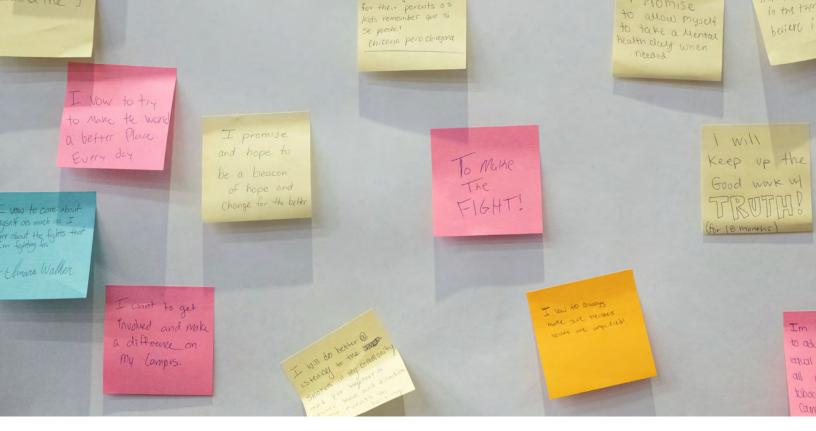
None of these achievements would be possible without our hardworking staff, Board of Directors, and vital partners. Truth Initiative has a legacy of improving health and saving lives, and the opportunity has never been greater to help people leave tobacco and nicotine addiction behind. We are writing our next history-making chapters together, and look forward to continuing to make a significant and unique impact on the health and well-being of our nation.

hathy Crosby

Kathy Crosby, CEO & President

YOUTH & YOUNG ADULT PUBLIC EDUCATION

Inspiring a new generation



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In 2023, our nationally recognized, proven-effective, award-winning **truth®** brand empowered young people with the facts about vaping nicotine and mental health, as well as the risks associated with prescription drug misuse and fentanyl.

A suite of efforts from **truth** targeted Gen Z to denormalize vaping and normalize quitting. National media campaigns spoke to prevention and cessation and were complemented by targeted messaging to young gamers, influencer postings, personalized outreach to young quitters, and the continuing dissemination of our school curriculums.

We were highly successful in achieving our goals. Our prevention campaign earned the prestigious 2023 U.S. Grand Effie Award, an honor bestowed to the most effective behavior-changing campaign of the year for efforts focused on the connections between nicotine addiction and mental health. In addition, a study published in <u>Tobacco Control</u> found that higher awareness of the **truth** campaign led to significantly lower e-cigarette use among youth and young adults. This is the first time a study has shown a relationship between e-cigarette prevention messaging exposure and lowered e-cigarette use among youth and young adults. We grew enrollment in our evidence-based, first-of-its-kind quit vaping program <u>This is Quitting</u> to nearly 750,000 young people and expanded our <u>digital peer-to-peer curriculum offerings</u> — providing *Vaping: Know the truth* to more than 1 million students to date. A study published in *Tobacco Control* found that higher awareness of the **truth** campaign led to significantly lower e-cigarette use among youth and young adults.

NATIONAL MEDIA CAMPAIGN

The latest iteration of the **truth** campaign, "Toxic 'Therapy' From Your Vape", features actor and comedian Chris Parnell in an animated role as a vape-turned-faux-therapist, shedding light on the misconception that vaping nicotine helps alleviate stress and anxiety. In fact, research shows nicotine addiction can intensify feelings of anxiety and depression and increase stress. The campaign launched with exclusive stories published by *People* magazine and *Mashable*, as well as a Snapchat lens that invited viewers to receive their own faux advice from our Toxic Therapist. Our online immersive experience "Solution Space" — which provided more facts about vaping and mental health and a link to This Is Quitting — received over 136,000 visits in its first week alone.



truth launched two <u>new episodes</u> of our powerful, award-winning testimonial series "<u>Quitters</u>," which provides an authentic look into the real-life experiences of young people using This is Quitting. Dyshere, a young man living in New York City, and brothers Tyler and Aaron were the latest young people to vlog about their experiences.



"When I'm not vaping, I feel much more empowered and like I have the driver's wheel in my own life."

- Dyshere



"I feel grounded, I feel confident, I feel like myself. I don't feel like it has power over me anymore." - Aaron

"It's time to be more responsible, over our bodies and our mental health."Tyler

ENGAGING THE GAMING COMMUNITY

In order to address the nearly <u>95% of Gen Z</u> and Millennials who are actively engaged in video gaming, truth created two gaming ads and partnered with The Game Awards and Minecraft.

truth co-sponsored The Game Awards in 2023, the most-watched ceremony in Game Awards history. The show's livestream was viewed more than 6.5 million times. Our two new ad spots — "<u>Kingdom of Stress</u>"



and "<u>Stress City 4</u>" — aired during and after the show. The ads subverted gaming tropes and aimed to educate gamers that nicotine addiction can make stress worse.

truth organized <u>The Minecraft Creator Twitch Tournament</u>, a charitable gaming tournament that united some of Minecraft's most popular creators and pro players. The tournament included **truth** messaging and garnered 450,000 views on the **truth** Twitch channel. We also launched a dedicated <u>gaming Discord server</u> which more than 20,000 people have joined, to encourage conversations about quitting.



INFLUENCERS

truth leveraged the trust and cultural impact of influencers to help communicate our educational message and encourage enrollment in This Is Quitting. For the launch of "Toxic 'Therapy'", five qualified therapists with followings on social media teamed up with us to spread the word that nicotine addiction can amplify depression and anxiety and is associated with sleep problems; these included <u>Dr. Frank</u>, <u>Dr. Justin</u>, <u>Therapy</u> Jeff, Micheline Maalouf, and Shani Tran.

To support The Game Awards media moment, we partnered with popular gaming influencers — including <u>Khleo Thomas</u>, <u>Boze</u>, <u>Lough</u>, and <u>Sydeon</u> — who shared information about nicotine addiction, gaming tips, and ways to de-stress across their channels.

This was followed by a series of engagements with influencers during calendar moments of stress, such as school finals and holidays, when stresses from school and family can heighten irritability caused by nicotine withdrawal. These influencers expanded the impact of our campaign with over 1 million organic views and nearly 2 million paid views.

Influencers have become a highly successful and efficient avenue for encouraging young users to enroll in This Is Quitting. We teamed up with influencers <u>McCall</u> <u>Mirabella</u>, <u>Eli Stone</u>, and <u>Emily Mazza</u>, to promote This Is Quitting on their channels. Additionally, MTV partnered with us to include This is Quitting in an episode of "The Challenge: World Championship." The episode focused on contestant Nia Moore and her experience quitting e-cigarettes after being diagnosed with a pulmonary embolism. Nia went on to partner with **truth** and encourage her followers to enroll in This is Quitting.

PERSONALIZED OUTREACH

To support, celebrate, and encourage young people who are trying to quit, **truth** engaged with over 800 young people who posted their quitting journeys on social media. Words of encouragement were delivered via comments on videos, and some creators even received **truth** swag in this high-touch, personalized approach. The content that we engaged with ultimately drove over 140M views by others, helping to normalize quitting.



RESEARCH & POLICY

Groundbreaking research rooted in decades of science



42 Peer-reviewed articles published

12 Reports, briefs, and policy resources published

20 Comments and policy letters to federal agencies

.

Truth Initiative's industry-leading public health research on commercial tobacco and nicotine drives everything we do. Research is at our core, guiding our advocacy and youth engagement efforts and helping us to evaluate and improve our quit-tobacco programs and our youth and young adult focused prevention campaigns. This year, we published 42 peer-reviewed articles in prestigious academic journals, including *Nicotine & Tobacco Research, Tobacco Control, The New England Journal of Medicine, Addiction*, and *Preventive Medicine Reports*. Our research covered a wide range of in-demand topics, including environmental challenges posed by disposable e-cigarettes, vaping prevalence among Asian Americans, tobacco imagery on screens, e-cigarette sales trends, and tobacco industry interference in social media and scientific spaces.

Our in-house research and policy team represents a wealth of knowledge and expertise and worked hard to ensure our findings reached policy makers, other researchers, and the public. We gave 60 oral presentations and presented 32 poster presentations this year, including at annual meetings of the nation's premier public health and nicotine and tobacco organizations, such as the Society for Research on Nicotine and Tobacco, Society of Behavioral Medicine, the American Public Health Association, and the National Conference on Health Communication, Marketing and Media. We wrote and published 12 reports, briefs, and policy resources to complement our substantial research and presentations. Our work received major media coverage, including in USA TODAY, The Associated Press, The New York Times, The Wall Street Journal, CNN, Variety, Mashable, The Hill, Health Affairs, Scripps News, and STAT News, just to name a few.

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In 2023 Truth Initiative also drafted 20 comprehensive comments and policy letters, conducted 57 meetings with policy leaders, and led 15 major convening activities to support our tobacco control priorities. Several of these activities urged action on the delayed U.S. Food and Drug Administration (FDA) menthol cigarette and flavored cigar rules, including meetings with officials from the White House, the Office of Management and Budget, and the Office of Information and Regulatory Affairs, along with representatives from public health and African American organizations.

LEAVING COMMERCIAL TOBACCO BEHIND

While Truth Initiative has always worked toward a future where commercial tobacco and nicotine addiction are a thing of the past, 2023 marked an important shift away from merely controlling tobacco to an "endgame" approach – working toward the end of tobacco and nicotine use entirely, with the exception of FDA-approved medications to assist with nicotine addiction.

We believe that a tobacco-free future can be achieved through policies that implement flavor restrictions at all levels of government, restrict points of sale for tobacco products, reduce nicotine levels across products, and improve access to quitting support. We highlighted this critical shift in our <u>report</u> and related Impact Series: "<u>Gamechanger:</u> Shifting from tobacco control to ending the industry's influence for good."





DELAYS IN MENTHOL CIGARETTE REGULATIONS

August 2023 should have marked the momentous finalization of the FDA rules to remove menthol as a characterizing flavor in cigarettes and eliminate all characterizing flavors from cigars. Instead, the Biden administration announced a <u>delay until 2024</u>, a huge win for the tobacco industry, which prioritizes profits over public health.

While federal rules languished, many states and localities moved forward with their own sales restrictions on flavored tobacco products, including menthol cigarettes. Truth Initiative, which regularly tracks the status of these policies, found 401 jurisdictions and three Native American tribes <u>restricted the sale of flavored tobacco</u> <u>products</u> by the end of 2023. Many of those policies – 129 – were comprehensive, prohibiting sales of all types of flavors across all products and retailers. Our research shows that these regulations were successful in achieving their intended outcomes. For example, flavored cigar sales restrictions in California, Illinois, Massachusetts, and New York <u>significantly reduced cigar sales</u> as well as sales of little cigars, which are popular among youth.

However, the tobacco industry has worked to undercut state and local flavored tobacco policies whenever possible. Soon after California and Massachusetts passed laws restricting the sale of flavored tobacco products, the industry introduced new "non-menthol" products to skirt the regulations. In California, R.J. Reynolds and ITG Brands began marketing "non-menthol" versions of their mentholated Camel and Kool cigarette brands, respectively, and we highlighted these efforts and implications in **Tobacco Control**. Young adult smokers in California and Massachusetts told us they felt the ads and packaging for new cigarettes like Camel Crisp, Newport Non-Menthol, and Kool Blue primed smokers to expect minty or menthol-flavored cigarettes, according to **qualitative research by Truth Initiative**.



restricted the sale of flavored tobacco products by the end of 2023



prohibiting sales of all types of flavors across all products and retailers

FLAVORED, HIGH NICOTINE E-CIGARETTES

In 2023, public health advocates marked a notable achievement in the fight against the youth vaping crisis. Current e-cigarette use among high school students dropped from 14.1% in 2022 to 10% in 2023, the lowest point in almost a decade, according to the **National Youth Tobacco Survey**. However, nicotine dependence remains a major **challenge in youth tobacco prevention and quitting**, with more than a quarter (25.2%) of surveyed students who currently used e-cigarettes reporting that they vaped nicotine every day.

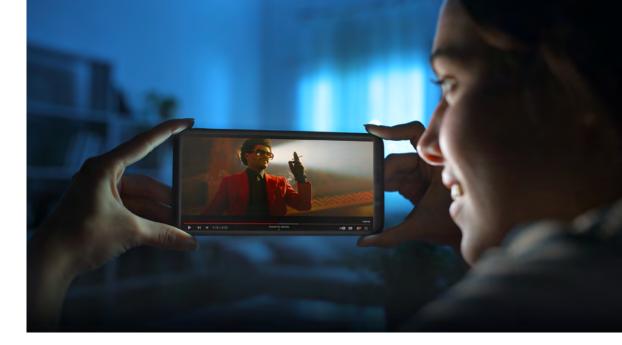
High nicotine levels and youth-appealing flavors continue to play a role. Disposable e-cigarettes contained more nicotine and were more accessible than ever before, according to peer-reviewed Truth Initiative research titled "**Bigger, Stronger, Cheaper**." The latest generation of disposable e-cigarettes has as much nicotine as multiple cigarette packs, while price drops have made products significantly cheaper. Sales of e-cigarettes with the highest levels of nicotine (5% or greater nicotine strength) **grew nearly 15-fold in the past five years**, increasing from 5% of total e-cigarette sales in 2017 to 81% in 2022.

At the same time, e-cigarettes that blend strong fruit, sweet, and cooling tastes were widely popular among young users, as were "concept flavors" with vague names that do not directly identify a flavor like Blue Dream, OMG, and Marigold. E-cigarette sales have shot upward in tandem with the explosion of flavors. In just one year, the number of <u>e-cigarette products sold on</u> <u>the market more than quadrupled</u> from 453 in 2021 to more than 2,000 in 2022, according to a Truth Initiative review of U.S. retail sales data. A separate **study** from the Centers for Disease



Control and Prevention found that overall e-cigarette monthly unit sales increased by 46.6% between 2020 and 2022, from 15.5 million units to 22.7 million units.

As nicotine levels, flavors, and the sheer number of e-cigarette products rise, the FDA must continue to prioritize enforcement against youth-appealing e-cigarettes, particularly those that come in flavors. As of January 2024, the FDA had <u>authorized</u> <u>23 e-cigarette products</u>. While Truth Initiative recognizes that some progress has been made – the FDA issued marketing denials to a number of flavored and menthol e-cigarettes in 2023, including <u>Vuse Solo</u>, <u>Vuse Vibe</u>, <u>Vuse Ciro</u>, and <u>Vuse Alto</u> – many of these denials are currently under legal review. More needs to be done to remove flavored e-cigarettes from the market.



TOBACCO IN POP CULTURE

Truth Initiative's fifth annual analysis of tobacco imagery in popular entertainment, **"Tobacco's Starring Role: How on-screen tobacco imagery drives youth e-cigarette use and what the entertainment industry can do to change the picture**," found that screens continue to be flooded with depictions of cigarettes and e-cigarettes, putting our nation's youth and young adults at risk of nicotine addiction. Our analysis found increasingly pervasive smoking and vaping imagery in 2021's most popular streaming shows among 15- to 24-year-olds in addition to binge-watched shows, music videos, and <u>youth-rated movies</u>. <u>Peer-reviewed research from Truth Initiative</u> highlights that exposure to smoking imagery in streaming shows can triple a young person's odds of starting to use e-cigarettes.

Truth Initiative, along with research collaborators at Breathe California and NORC at the University of Chicago, has <u>tracked tobacco imagery in entertainment most</u> popular with young people since 2018. This year's research brings home the idea once again that the entertainment industry must do more to prevent young people from starting to vape nicotine, a theme we highlighted during our Impact Series, "Tobacco-free screens: Changing the picture on the tobacco industry's influence in popular entertainment."

A new report explored another screen most popular with young people — social media — and its relationship with tobacco. The report "Industry influencer: How tobacco content is infiltrating social media" covered a growing body of Truth Initiative research that suggests the tobacco industry is using social media platforms popular with young people to advertise tobacco products, control tobacco-related conversations, evade flavored tobacco restrictions, and spread misinformation about nicotine.



ORAL NICOTINE POUCHES

Oral nicotine pouches from brands like Zyn and On!, which contain nicotine and often come in youth-appealing flavors, have become increasingly popular. Truth Initiative research **published in** *Preventive Medicine Reports* suggests that many young people who used these products also used other nicotine products such as cigarettes (73%) or e-cigarettes (49%), highlighting the need for more research and attention focused on how young people are using these products.

INEQUITIES IN TOBACCO USE

Commercial tobacco is not an equal opportunity killer – where you live matters. In 12 southern and midwestern U.S. states — a region we call **"Tobacco Nation"** — both adults and young adults had 50% higher smoking prevalence and smoked more cigarettes per capita annually than people living in other states. Our 2023 report found



major geographic smoking disparities persist across this region. The silver lining: Stronger tobacco control policies in states with the highest smoking prevalence <u>could</u> narrow the gap in national adult smoking rates.

Tobacco use disparities also extend to certain racial groups. Native Hawaiian and Pacific Islander youth in the U.S. reported the highest prevalence of current e-cigarette use compared to other racial and ethnic groups, according to Truth Initiative research **published in** *Preventive Medicine Reports*. The research is an important first step in addressing tobacco-related disparities.

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COMMUNITY & YOUTH ENGAGEMENT

Online, on the ground, and across campuses nationwide



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Our Community and Youth Engagement program empowers young people nationwide to spread the truth in their communities, educates middle and high school students on the dangers of nicotine addiction and the risks associated with prescription drug misuse and fentanyl, and supports leaders at colleges and universities to enact tobacco-free policies.

Our annual <u>truth Moment of Action</u>, held in Washington, D.C., and online, spread awareness about the tobacco industry's use of flavors to appeal to young people and called for the regulation of flavored tobacco products. Young activists rallied in the nation's capital, engaged with peers on social media, and met with Assistant Secretary for Health Admiral Rachel Levine and decision makers on Capitol Hill.

We expanded our <u>digital peer-to-peer curriculum offerings</u> — providing *Prescription Drug Safety: Know the truth* in addition to *Vaping: Know the truth*, which was broadened to include two new modules on vaping cannabis and is now reaching more than 1 million students. Our <u>Tobacco/Vape-Free College</u> <u>Program</u> awarded 18 new grantees, and we supported Howard University as they implemented their 100% tobacco-free campus policy.

TRUTH MOMENT OF ACTION

Our **truth** activists — some of whom used to use e-cigarettes — exposed how the tobacco industry develops and markets flavored products that entice young people to use nicotine. As part of our annual <u>truth Moment of Action</u>, 26 young activists rallied in Washington, D.C., alongside the *Follow the Flavors* **truth** truck, which was designed to mirror youthful e-cigarette advertising and a menu of familiar-sounding flavors like "Bubble Yum Yum" and "Straw Melon Sour."

The truck was stationed on George Washington University's campus where our activists spoke with students and locals about the tobacco industry's tactics, shared information about This is Quitting, and amplified the message that vape flavors shouldn't taste like candy. Activists also had the opportunity to meet with Assistant Secretary for Health Admiral Rachel Levine and other decision makers on Capitol Hill where they shared their stories and called for the regulation of flavored tobacco products. Through online engagement, including an interactive Snapchat lens, we encouraged young people nationwide to join the activists in calling on decision makers, including the FDA, to regulate the market and support the health of young people.



TOBACCO/VAPE-FREE COLLEGE PROGRAM

Because 99% of smokers start smoking before age 26 — and amid the ongoing youth e-cigarette crisis — college campuses remain critical to preventing tobacco initiation among young people, aiding those who smoke and vape in quitting, and reducing exposure to secondhand smoke for all. We extended grant awards to 18 colleges to join our Tobacco/Vape Free College program our second largest cohort since the inception of the program.

Our <u>Tobacco/Vape-Free College Program</u> has helped 154 college and university campuses institute tobacco- and vape-free policies to protect more than 1.4 million students, faculty, and staff.



154 institutions have adopted tobacco and vape-free policies

1.4M students, faculty and staff members

are protected with tobacco and vape-free policies

SCHOOL CURRICULUMS

We launched our second curriculum **Prescription Drug Safety: Know the truth** with EVERFI to address the growing youth overdose crisis. During the 2023-2024 school year, it will equip an estimated 250,000 students with the facts about prescription drug misuse and fentanyl. Our first curriculum, <u>Vaping: Know the truth</u>, has reached more than 1 million students to date, educating them about the dangers of nicotine addiction and now including two new modules on vaping cannabis.



RISKS OF CANNABIS USE

Between the murkiness of cannabis being both legal (depending on where you live) and illegal (tederally) and finding out it doesn't actually help mental health when the world seems to think it's totally safe, you've probably realized the cannabis issue is, well... complicated. All the more reason to learn more about it, so let's continue.

SELECT THE FOUR TOPICS TO CONTINUE.

- Risks of Early Use
- Impacts on Academic Performance
- Truth about Cannabis Addiction
- ✓ Alternatives: Better or Worse?



PARTNERSHIP WITH THE D.C. DEPARTMENT OF HEALTH

As part of D.C. Health's Youth Engagement in Tobacco Control Initiatives, **truth** collaborated to host youth leadership and engagement activities in the city and promote our *Vaping: Know the truth* curriculum among local schools. We also created a tailored version of This is Quitting for the city's young people, as we have done in several states.

2023 CLASS OF TRUTH AMBASSADORS

Our truth Ambassadors program welcomed <u>11 new truth Ambassadors</u> and renewed the ambassadorships of three young activists who joined the program in 2022.

The **truth Ambassador program** is a yearlong leadership program for one of the most successful public health campaigns in history. Ambassadors work with Truth Initiative staff to recruit their peers, share stories and experiences on tobacco and vaping control issues, and advocate for campus, local, state, and national decision makers to establish tobacco- and vape-free communities. Ambassadors receive financial support to create and promote projects that inspire tobacco-free communities.

INTRODUCING Image: Structure Image: Structure

Creating and committing to issues and ideas that inspire tobacco and vape-free communities

TRUTH IMPACT SCHOLARSHIP

The **truth** Impact Scholarship, which recognizes young activists making an impact to address tobacco and vaping in their communities, announced three winners and six honorable mentions in 2023. These nine young people, selected from an annual application process open to students who will be (or are currently) enrolled in higher education across the United States, took action in their communities to address the impact of tobacco use on mental health, social justice, and the environment. Each winner received a \$5,000 scholarship, and honorable mentions received \$1,000, to pursue higher education.



BLACK LIVES / BLACK LUNGS: THE JOURNEY OF A STOLEN LEAF

Through a partnership with Advocates for Youth, an organization supporting youth leaders who advocate for cultural, social, and political change, we supported the development of filmmaker and former Truth Initiative fellow Lincoln Mondy in the release of his short film "Black Lives / Black Lungs: The Journey of a Stolen Leaf." The documentary explores how the tobacco industry is applying long-standing, exploitative strategies to market e-cigarettes, and is a follow-up to the successful short film "Black Lives / Black Lungs," which covers the decades-long campaign that transformed menthol into a Black cigarette.



VAPING: KNOW THE TRUTH ART CHALLENGE

truth launched the 2023 Vaping: Know the truth Art Challenge with EVERFI. Kayla, an 11th grader at Poway High School in Poway, Calif., won the contest. Her artwork "Future You Is Talking" illustrates the predatory tactics of the tobacco industry within LGBTQ+ communities. The winner was awarded a \$5,500 scholarship and a Supreme merchandise gift pack.

INNOVATIONS TO QUIT TOBACCO

Digital cessation programs that save lives



Truth Initiative is reaching millions of people with our

industry-leading, evidence-based cessation programs. Tobacco users of all ages trust our programs to help them break free from addiction.

700K+

teens and young adults have enrolled in our free quit-vaping text message program, This is Quitting

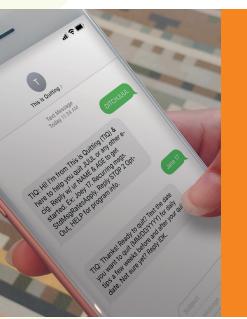


THIS IS QUITTING

This is Quitting remains the leading vaping cessation program for young people. The free, anonymous text message program features messages from other young people about their quitting journey. To date, the program has helped nearly 750,000 teens and young adults on their journey to quit vaping nicotine. On average, more than 9,500 young adults and more than 3,500 adolescents enroll in This is Quitting each month, and nearly 12,000 users to date have contributed to the program's development by submitting testimonials and messages, offering inspiration and encouragement to other young people as they embark on their journey to quit vaping.

This is Quitting continues to support young people at all stages of their quitting journey. At the start of 2023, This is Quitting added a new relapse feature called RUNITBACK that includes tailored messaging for young people who have relapsed and are making another quit attempt. The RUNITBACK message library, which has 60 days of content available after a user's quit date, retained 79% of enrollees for 60 days or more.

This is Quitting remains the only vaping cessation program with published data on its <u>effectiveness among young adults</u>. We completed a second randomized clinical trial of This is Quitting among roughly 1,500 adolescents in fall 2023 and anticipate the main trial findings will be published in early 2024. This program is also being evaluated in research funded by several external collaborators, including St. Jude Children's Research Hospital, Virginia Commonwealth University, and the University of Wisconsin Madison's Center for Tobacco Research and Intervention.



Every day, we see firsthand the impact that This is Quitting has on the lives of young people from the messages they send through the program:

"They really truly help me not think about vaping, they are so encouraging and make me feel so good that I have quit and continuing to be sober. Makes me feel very proud of my hard work and journey no longer vaping."

"It's easy to get distracted by my surroundings or if I see other people vape but these messages make it easier to remember what I actually want."

EX

EX reached a major milestone in 2023: more than 1 million tobacco users have turned to this proven, beloved program to support them in their quitting journey. EX continues to meet the diverse needs of people of all ages and identities who are quitting all kinds of tobacco products. EX expanded its already comprehensive mental health and stress management resources, updated extensive guidance and information on all types of guitting medication, and added content on newer tobacco products, including Zyn. EX also features content on various social determinants of health that can make quitting tobacco more challenging. These expanded resources help our members who face specific challenges understand why quitting can feel so difficult and provide actionable, tailored strategies.

On the technology side, we launched EX Scout, the first artificial intelligence (AI)-driven content recommender engine to help adults nationwide quit smoking, vaping, and using nicotine. Scout pairs expert content from Truth Initiative and its longstanding partner, the Mayo Clinic Nicotine Dependence Center, with the motivations and preferences of individual tobacco users to create a highly personalized, evidence-based cessation treatment experience.

EX is also at the center of a robust research portfolio focused on leveraging digital interventions for specific clinical populations, including patients with severe mental illness who smoke following hospital discharge, and patients with HIV who smoke.

To learn more about quitting with support from EX, visit **BecomeAnEX.org**.



1M+

tobacco users have turned to this proven, beloved program to support them in their quitting journey.

THE EX PROGRAM

Employers, health plans, and health systems play a critical role in motivating and engaging tobacco users in cessation treatment, especially those from marginalized populations. EX Program partnered with 19 new clients in 2023, expanding our reach to racial and ethnic minority communities, people with mental health conditions, those who are living in poverty or disabled, and members of the LGBTQ+ community. Our new clients span the manufacturing industry, higher education, retailers, information technologies, health plans, and health systems. To date, more than 12 million adults across the U.S. have access to EX Program through these strategic partnerships, including more than 5.5 million Medicaid members.

To serve this growing book of business, we've continued to expand our product offering and coaching team. We launched a new mobile app for sponsored users called EX Duo centered on live chat coaching. Connecting real-time with a tobacco treatment expert continues to be a cornerstone of our program and our coaching team gets rave reviews.

"The end-to-end user experience is very user friendly and associates are very professional!"

"It is nice to have support and let off some steam."

"Great support from the coaches. They are very knowledgeable!"

"So helpful and kind and really helped to validate my feelings"

EX Program continues to delight clients as well, making their work in administering a tobacco cessation program easy and frictionless. Our realtime dashboards provide key insights about program performance, from the success of specific outreach campaigns in driving enrollment, all the way through program completion and abstinence outcomes. Our clientsuccess team conducts quarterly executive business reviews to help make these data-driven insights actionable for our partners and to identify ways we can support their efforts. Their responsive, strategic, white-glove service yielded a stellar 100% retention rate in 2023.

For more information on EX Program, visit theexprogram.com.



Helping more than 12 million adults around the nation to quit tobacco.



TESTIMONIAL PROFILES



John Peet Nashville, Tenn.

EX Program partnered with Nashville bar owner John Peet, who successfully quit smoking using EX Program and documented his quitting journey. His <u>video</u> has reached thousands of other tobacco users and continues to be a powerful element of our outreach strategy.

"After losing a family member to lung cancer and witnessing a friend's current battle with cancer, I wanted to make some positive changes for my mental and physical health."



Millie Martinez New York, N.Y.

After 40 years of smoking menthol cigarettes, Millie Martinez decided to quit smoking after the birth of her first grandson. Her journey had its ups and downs, but ultimately she successfully quit smoking using EX Program and documented her full journey in a **video blog**.

"I feel confident and I feel fresh, you know...I actually feel better. I'm breathing better, I'm exercising more."

AWARDS

While we will always measure success by the number of lives saved, we continue to be proud of the top industry awards we receive for our work. Accolades from Effie — including the Grand Effie for our Depression Stick and Breath of Stress Air campaigns — concluded a year of many recognitions for our creativity, innovation, and efficacy. Below is a selection of awards we received in 2023.

Effie Awards

Won Grand Effie for Depression Stick + Breath of Stress Air, Won Gold in David vs. Goliath - Services for Depression Stick, Won Silver in Disease Awareness & Education: Non-Profit / Health & Wellness for Breath of Stress Air, Finalist in Youth Marketing - Services for Depression Stick + Breath of Stress Air

Brand Entertainment Awards Nominated in the Brand Series category for truth Quitters series





ANA In-House Excellence Awards

Winner in the Branded Content category for Quitters and in the Socially Responsible category for Quitters

ARF David Ogilvy Awards

Won bronze in the Government, Public Service, & Nonprofit category for Breath of Stress Air

PR Daily's Nonprofit Communications Awards Winner in the Digital Content category for While You Were Streaming: Tobacco's Starring Role

Stevie Award for Great Employer

Won Silver for Human Resources Team of the Year, Won Bronze for Achievement in Workforce Development & Learning

PR Week

Winner of the Outstanding In-House Professional and Team award for Communications

COMMITMENT TO OUR PEOPLE

The key to our continued success is a shared dedication to our core values of courage, curiosity, collaboration, and commitment, which together quide us in fostering an equitable and inclusive workplace. We take pride in the diverse experiences and backgrounds of our staff and strive to uphold our core values in our hiring practices, through vendor partnerships, and in our dedication to staff professional development and personal growth.

As part of the wider Washington, D.C., community, we also have a commitment to building an organization that represents the people we serve. Through local collaborations with partner organizations, volunteer days and donation drives, and by standing alongside populations disproportionately affected by the tobacco industry, we work hard to support our city and community partners.

Throughout 2023, we continued to invest heavily in our employees to foster their growth, both professionally and personally. We continue to have robust participation in our organizationwide events, discussions, speaker series, and showcases, which foster connection and inspire learning across all expertise centers. Truth yoU, our in-house training and enrichment series, offered events for all staff members on a range of topics. Events in 2023 included a filmmaker Q&A and sneak peek of Lincoln Mondy's short film "Black Lives/Black Lungs: The Journey of a Stolen Leaf," staff research presentations, financial literacy seminars, training sessions for Zoom, LastPass, and performance management, and discussions in honor of Black History Month, Hispanic Heritage Month, Pride Month, and more.

As we look forward to 2024, we are excited to continue to harness the full potential of our most valuable asset - our staff. We look forward to continuing our Truth yoU series, engaging with our community in new ways, and working hard to create an inclusive workplace that enables all Truth Initiative staff to meet and exceed our goals.

COURAGE

We are not afraid to take difficult positions when the facts take us there-regardless of who or what they go up against.

OUR CORE VALUES

COLLABORATION

We cannot do this alone. We seek, work with, and develop relationships with all who share our vision to create lives free from smoking, vaping, and nicotine.

COMMITMENT

We are committed to saving lives and creating health equity across ethnicities, incomes, geographies, and lifestyles.

CURIOSITY

We are innovative and open. We respect science and the dynamic scientific process. We are not political, partisan, or dogmatic.



FINANCIALS & BOARD OF BROARD OF DIRECTORS

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> STEVE OYER Director

> > Y**ASHI SRIVASTAVA** YOUTH BOARD LIAISON

TRUTH INITIATIVE FOUNDATION BALANCE SHEETS

JUNE 30, 2023 AND 2022 (IN THOUSANDS)

ASSETS	2023	2022
Cash and cash equivalents	\$ 78,524	\$ 116,877
Investments	676,256	711,913
Trades to be settled	310	216
Accrued interest receivable	456	244
Grants receivable	205	128
Prepaid expenses	1,196	1,532
Operating lease right of use assets	4,686	-
Property and equiptment, net	1,740	2,142
Other assets	975	541
Total	\$ 764,348	\$ 833,593
LIABILITIES AND NET ASSETS	 	
Accounts payable and accrued expenses	\$ 10,650	\$ 10,170
Deferred revenue	957	674
Refundable advances	1,033	2,227
Loans payable	89,438	89,030
Other liabilities	1,418	2,290
Deferred rent	_	3,048
Operating lease liabilities	7,135	_
Total liabilities	\$ 110,631	\$ 107,439
Commitments and contingencies		
Net assets without donor restrictions	653,717	726,154
TOTAL LIABILITIES AND NET ASSETS	\$ 764,348	\$ 833,593

TRUTH INITIATIVE FOUNDATION STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2023 AND 2022 (IN THOUSANDS)

REVENUE AND SUPPORT	2023	2022
Sponsored projects and other income	\$ 7,684	\$ 8,160
Investment income (loss), net of fees	33,313	(62,321)
Total revenue and support (loss)	\$ 40,997	\$ (54,161)
EXPENSES		
Program expenses:		
Counter-marketing and public education	\$ 72,437	\$ 74,118
Communications	4,350	4,623
Truth Initiative Schroeder Institute	8,813	9,160
Innovations	7,902	6,977
Community and youth engagement	6,223	5,979
Program grants	1,184	942
Other programs	1,257	947
	\$ 102,166	\$ 102,746
Supporting services:		
General and administrative	\$ 11,268	\$ 10,933
TOTAL EXPENSES	\$ 113,434	\$ 113,679
Change in net assets	\$ (72,437)	\$ (167,840)
NET ASSETS WITHOUT DONOR RESTRICTIONS		
Beginning	\$ 726,154	\$ 893,994
Ending	\$ 653,717	\$ 726,154

TRUTH INITIATIVE FOUNDATION STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022 (IN THOUSANDS)

CASH FLOWS FROM OPERATING ACTIVITIES:	2023	2022
Change in net assets	\$ (72,437)	\$ (167,840)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized (gain) loss on investments	\$ (20,337)	\$ 77,208
Other investment gain	(7,591)	(8,117)
Depreciation	552	833
Amortization of debt issuance costs	408	255
Deferred rent	_	(549)
Change in operating leases	(599)	_
Forgiveness of debt	_	(3,500)
Changes in assets and liabilities:		
(Increase) decrease in:		
Trades to be settled	(94)	(141)
Accrued interest receivable	(212)	(46)
Grants receivable	(77)	60
Prepaid expenses	336	413
Other assets	(434)	(263)
Increase (decrease) in:		
Account payable and accrued expenses	480	(1,265)
Deferred revenue	283	332
Refundable advances	(1,194)	(1,109)
Other liabilities	(872)	398
Net cash used in operating activities	\$ (101,828)	\$ (103,331)

TRUTH INITIATIVE FOUNDATION STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2023 AND 2022 (IN THOUSANDS)

CASH FLOWS FROM INVESTING ACTIVITIES:		2023	2022
Purchase of property and equiptment	\$	(426)	\$ (141)
Proceeds from sale of property and equiptment		276	_
Proceeds from sale of investments		217,067	377,658
Purchase of investments		(153,442)	(291,219)
Net cash provided by investing activities	\$	63,475	\$ 86,298
CASH FLOWS FROM FINANCING ACTIVITIES:			
Proceeds from loan payable	\$	_	\$ 90,000
Principal repayments on line of credit and loan payable		_	(90,000)
Debt issuance costs		_	(1,225)
Net cash (used in) provided by financing activities		_	(1,225)
Net (decrease) increase in cash and cash equivalents	\$	(38,353)	\$ (18,258)
CASH AND CASH EQUIVALENTS:			
Beginning	\$	116,877	\$ 135,135
Ending	\$	78,524	\$ 116,877
	ON:		
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATI		1,013	\$ 1,545
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATI Cash paid for interest	\$	1,015	
	\$ \$	920	\$ 45
Cash paid for interest	\$	920	 45

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AS OF DECEMBER 2023

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