

Position Statement

Tobacco

Summary: Tobacco use kills more than 7 million people each year, with an additional 600,000 deaths attributed to second-hand smoke. Tobacco products are addictive and there is overwhelming evidence that tobacco use undermines Sustainable Development Goal 3: Good Health and Wellbeing. For this reason, we do not invest in companies that produce or distribute tobacco.

Purpose of this document

This document maps tobacco products to SDG 3, and explains why we exclude companies that produce or distribute tobacco products from our investment universe.

What is a tobacco product?

According to the European Union's Tobacco Products Directive, a tobacco product refers to any product containing tobacco that is intended for smoking, chewing, or snuffing. It includes both smoking tobacco and smokeless tobacco products. Examples of tobacco products include: cigarettes, cigars, pipe tobacco, waterpipe tobacco, snus, and snuff.

Our position

Tobacco products undermine health so severely that the United Nations uses the prevalence of tobacco-use as a quantitative indicator of good health and wellbeing (SDG: 3.A.1). Because our funds seek to promote good health and well being, we exclude companies that produce and distribute tobacco products from our investment universe.

Mapping tobacco to SDG 3

SDG Target	SDG Indicator	Comment
3.2 End preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births	3.2.1 Under-five mortality rate	Second-hand smoke kills over 168,000 children each year (Öberg et al. 2011). Lower respiratory tract infections among children under 5 are the largest disease burden from second-hand smoke (Öberg et al. 2011).

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3.2 End preventable deaths of newborns and children under 5 years of age, with all countries aiming to reduce neonatal mortality to at least as low as 12 per 1,000 live births and under-5 mortality to at least as low as 25 per 1,000 live births	3.2.2 Neonatal mortality rate	Infant mortality rate is 40% higher for women that smoked during pregnancy compared women that did not smoke during pregnancy (Salihi et al. 2003).
3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.3.1 Number of new HIV infections per 1,000 uninfected population, by sex, age and key populations	Tobacco users have higher odds for acquiring HIV, although it is unresolved this relationship is causal (Furber et al. 2007).
3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.3.2 Tuberculosis incidence per 100,000 population	Smoking and being exposed to second hand smoke doubles the chance of contracting tuberculosis (Bates et al. 2007; Obore et al. 2020).
3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.3.3 Malaria incidence per 1,000 population	Tobacco production causes substantial deforestation, which is associated with increased malaria risk (Geist 1999; MacDonald and Mordecai 2019).
3.3 End the epidemics of AIDS, tuberculosis, malaria and neglected tropical diseases and combat hepatitis, water-borne diseases and other communicable diseases	3.3.4 Hepatitis B incidence per 100,000 population	Over 38,000 deaths and 1,000,000 disability adjusted life years from Hepatitis B are attributable to tobacco use (Wang et al. 2023).
3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.4.1 Mortality rate attributed to cardiovascular disease, cancer, diabetes or chronic respiratory disease	17% of noncommunicable disease deaths are caused by smoking tobacco (Reitsma et al. 2021).

SDG Target	SDG Indicator	Comment
3.4 Reduce by one third premature mortality from non-communicable diseases through prevention and treatment and promote mental health and well-being	3.4.2 Suicide mortality rate	People with tobacco use disorder are significantly more likely to commit suicide compared to people without tobacco use disorder, although it is unclear if the relationship is causal (Bohnert et al. 2014; Lynch et al. 2020).
3.6 Halve the number of global deaths and injuries from road traffic accidents	3.6.1 Death rate due to road traffic injuries	People who smoke while driving are more likely to be in accidents causing injury or death than people who do not smoke while driving (Liddell 1982; Ryb et al. 2007).
3.9 Substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination	3.9.1 Mortality rate attributed to household and ambient air pollution	Second-hand smoke is a form of air pollution that kills about 600,000 nonsmokers per year (Öberg et al. 2011).
3.a Strengthen the implementation of the World Health Organization Framework Convention on Tobacco Control in all countries, as appropriate	3.a.1 Age-standardized prevalence of current tobacco use among persons aged 15 years and older	Global tobacco use is decreasing, but few countries are on track to meet targets established at the Sixth session of the Conference of the Parties to the WHO FCTC (Bilano et al. 2015) Tobacco use is forecast to increase in Africa and the eastern Mediterranean (Bilano et al. 2015).

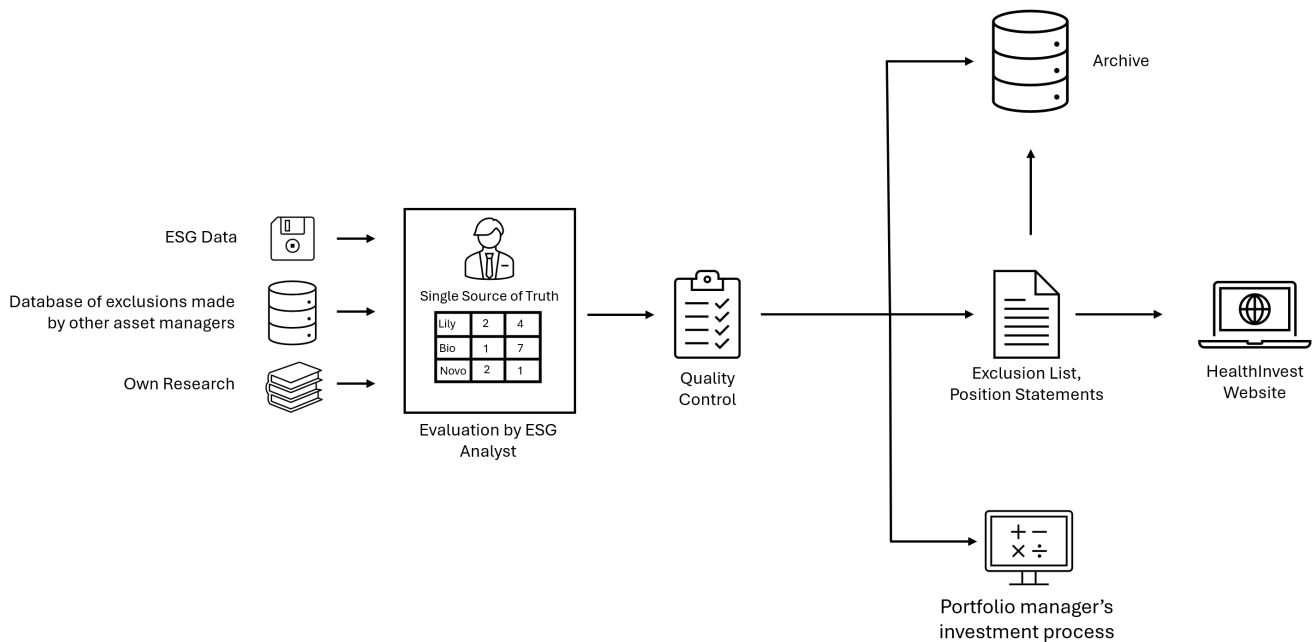
Implications for HealthInvest's portfolios

For Alcohol, we exclude 1CM Inc, MatsukiyoCocokara & Co and Otsuka Holdings Ltd.

HealthInvest's Due Diligence Process

Our due diligence process is built around a *single source of truth* ESG dataset. We gather information on companies from ESG data providers, the exclusion lists of other asset managers, and our own internal research. This information is reviewed by our ESG Analyst and validated through internal checks before it is committed to the ESG dataset. Potential and current investments are evaluated against this dataset.

Changes to the *single source of truth* ESG dataset are automatically reflected in our online documentation and in the digital tools used by portfolio managers to evaluate potential investments and monitor portfolios. All changes are documented to ensure traceability and consistency over time. In practice, updates most often occur due to corporate actions (e.g., IPOs, delistings, mergers, and name changes) as opposed to changes in a company's underlying economic activities.



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Historical returns are no guarantee of future returns. The money invested in the fund may increase or decrease in value, and there is no guarantee that an investor will get back the full amount invested. Additional information can be found in the fund's fact sheet, information brochure, annual report, and semi-annual report at healthinvest.se