

Offering **products that harm when used as intended.**



RED FLAGS IN THE VALUE PROPOSITION

- Such as:**
- Manufacturing and selling tobacco products, whose intended use causes cancer, cardiovascular disease, and respiratory illness
 - Developing autonomous weapons systems designed to select and engage targets without meaningful human oversight, and thus are inherently incapable of complying with core principles of international humanitarian law, such as distinguishing combatants from civilians, proportionality, and a context-sensitive assessment
 - Producing cluster munitions or anti-personnel landmines, whose wide-area, indiscriminate effect on civilian populations has led to their prohibition under international law

This red flag identifies a fundamental challenge where harm is not incidental or contingent on how a product is used or by whom but is structurally inseparable from its intended function.

In such cases, the company's commercial success depends upon the continued sale of a product that causes harm – whether immediately or over time – when performing exactly as designed and marketed. This means that the standard range of mitigation measures available to companies, including improved labeling, responsible marketing, terms of use, or end-user evaluation and monitoring, cannot adequately address the underlying risk of harm to people that is integral to the value proposition. Users of this tool, including investors, civil society organizations and companies, may differ in their assessment of whether particular products or services belong in this Red Flag or elsewhere in the framework. Such differences may be reflected in advocacy priorities, engagement strategies or exclusion policies. For example, some stakeholders may view certain products as inherently harmful, while others may consider the primary concern to be the circumstances of use or the conduct of end users.

At the same time, products and services should not be viewed as permanently fixed within a particular category. As scientific evidence, epidemiological data or lived experience accumulates, products that were once understood to cause harm only in certain circumstances may come to be recognized as causing harm as an inherent and unavoidable consequence of their intended use. The history of tobacco provides a well-known example of this evolution.