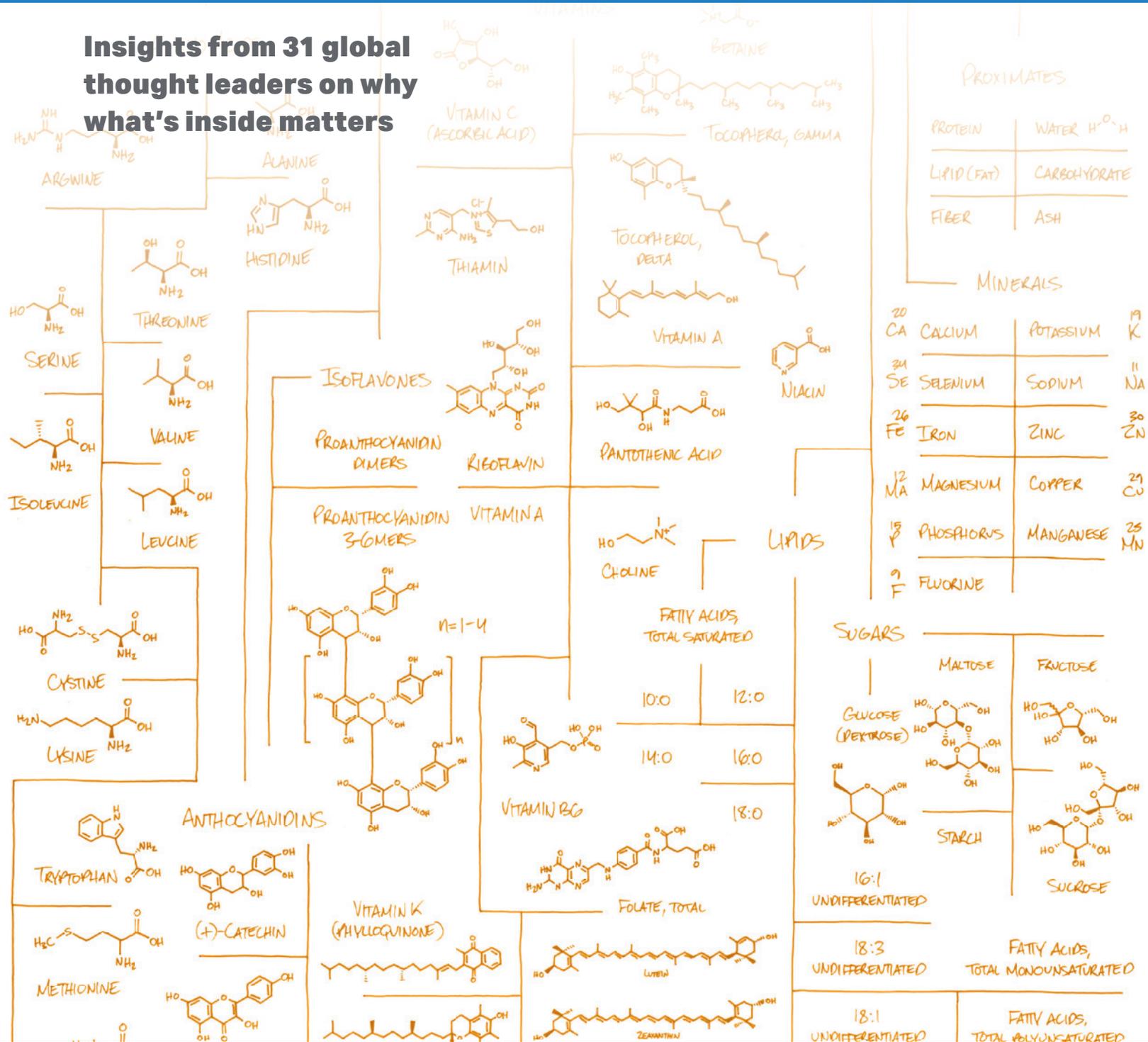


Building Trust: Why Transparency Must Be Part of the Equation

Insights from 31 global thought leaders on why what's inside matters



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A Bridge to Trust

Letter from Fisk Johnson, Chairman and CEO, SC Johnson

It's an interesting time to be a company, asking consumers to welcome you into their homes.

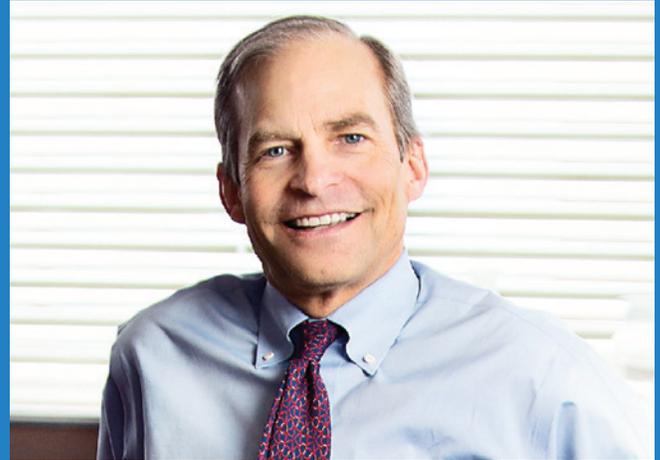
Trust in business is low. Internet rumors, product shaming and greenwashing are high. When it comes to understanding products and the companies that make them, people don't know who to trust.

At SC Johnson, we see transparency as an important bridge to build trust. We want people to know that informed choices matter to us, we put great care into our products and we spend a lot of time considering the impacts of our actions. We want to put our work out for the scrutiny of anyone who wants to look — so they can make their own informed choices about what we do.

That's why our ingredient transparency program is now in its tenth year and spans the globe. It shouldn't be hard for consumers to get information about products they buy — it should be available 24/7 and as close as their phone.

Our commitment to transparency is also why, in 2018, we started sharing more detail than ever about our Greenlist™ ingredient selection program and the sources we use to evaluate ingredients. We're after the best science, and that requires dialogue.

Transparency is also why as we work to help the world tackle ocean plastic, we're forthright about it being our responsibility as a plastic producer. The point isn't to deflect our role in this issue — it's to help own and lead solutions for everyone's benefit.



"At SC Johnson, we see transparency as an important bridge to build trust."

People want to know that companies take responsibility for their actions and their impacts. That's a commitment laid out in our guiding principles here at SC Johnson, called *This We Believe*. It was codified back in the 1970s and includes commitments like sharing product information with consumers and making sure our products are environmentally sound.

It's amazing that 40 years later, these principles still seem progressive. But they are fundamental to who we are at SC Johnson.

I'm proud of the teams that have led our transparency efforts, and particularly our ingredient disclosure journey. It has taken years, significant investment and tough conversations within our industry, but I believe we've made real progress for consumers.

I'm delighted we can share what we've done and learn from the others featured in this report. The strongest bridges to trust will be those that industry collaborates to build together.

A Promise Worth Keeping

Letter from Kelly Semrau, Senior Vice President – Global Corporate Affairs, Communication and Sustainability, SC Johnson



Ten years ago, SC Johnson made a promise to consumers. We knew that people cared about what they bring into their homes, and we believed families had a right to know what's inside products.

So even though no laws required it, we said we would start disclosing product ingredients and explaining what they do. We also pledged to list details of preservatives, dyes and fragrances — even though other companies didn't and suppliers wouldn't like it.

It's been daunting at times. Some worried we'd lose a competitive edge by giving away our "secret recipes." Suppliers wanted to protect what they saw as proprietary information. We even had to part ways with one fragrance house that wasn't willing to participate.

But we persevered. It's been an honor to work with great SC Johnson people who are inspired to transform our industry. They never rest, and have brought advances like product-specific fragrance and allergen disclosure into the mainstream.

Because we've often gone out first with more disclosure, we've also been in the spotlight. The more you embrace transparency, the more you open yourself up to scrutiny and critiques. Companies have to be prepared to invest time and resources in transparency, and to weather the occasional attack or misinformation.

We make a point of sharing our programs — like skin allergen disclosure and our Greenlist™ ingredient selection program — to get outside perspective from industry experts. We're always considering the newest data and the best science.

So, we're entering 2019 with transparency programs that reach billions of consumers globally and are, we hope, best in class. Whether you're in Argentina or Vietnam, understanding our ingredients and how we select them is as close as your mobile phone. It's a 24/7 commitment to our consumers and their families.

We've learned a lot along the way, but we certainly have more to learn. We welcome insights like those in this report, and we're proud that we could help bring it to life.

The more we learn together, the more we can all keep making responsible choices and earning trust. And that is a promise that's definitely worth keeping.

"The more we learn together, the more we can all keep making responsible choices and earning trust."

Introduction

Society's standards for corporate transparency are rapidly evolving. No small part of this is because of disruptions in technology and stakeholder expectations: the exponential pace of technological development and diffusion is recasting the way we communicate and receive information. Increasingly empowered stakeholders of all types are demanding different behaviors and performance from business. But more is at play. Expectations for transparency are intensifying at the same time as the intangible value of brands and their reputations grow ever larger but also more fragile. The implications are daunting.

It is time we stepped back from the fray to consider our common trajectory. To help make sense of the current pace and scale of change within the transparency agenda, GlobeScan and SC Johnson partnered to explore what the future of transparency may look like, and to contemplate the way there. In the process, we consulted 31 thought leaders around the world who each bring unique experience and perspective from diverse sectors and professions to this dynamic discipline. We are pleased to share our findings in this report with gratitude to our contributors.

Research has consistently shown that meeting or exceeding stakeholder expectations for transparency powerfully builds trust in the organizations that do it well. Indeed, a recent global public opinion study shows that 74 percent of consumers worldwide expect companies to provide full transparency on their products and services (2017 GlobeScan Radar). The problem is that most companies are not seen to be doing so, according to consumers and stakeholders.

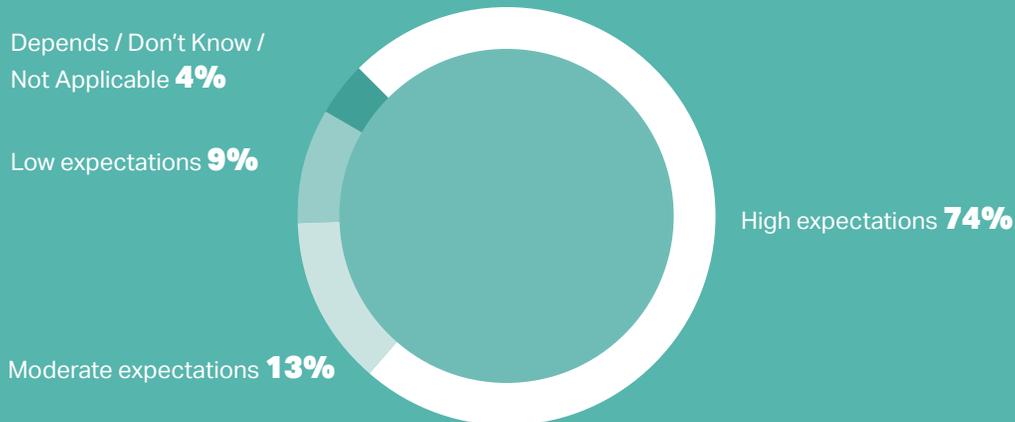
But why is trust among stakeholders so important in the first place? Trust is a strategic asset that enables resilient, long-term relationships among organizations and their stakeholders. It also plays a foundational role in consumers' purchasing decisions, shareholders' investment choices, employee recruitment and retention, corporate-supplier business relations, and communities' goodwill toward the companies that operate within them. Trust underpins entire economies and transparency is the most effective bridge to trust.

The thought leaders we engaged agreed that it is not easy to find the right balance. Too much transparency can be risky and disconcerting for organizations. Too little only



EXPECTATIONS OF COMPANIES ON PRODUCT TRANSPARENCY

Average of 15 Countries,* 2017



*Includes Brazil, Chile, Greece, India, Indonesia, Kenya, Mexico, Nigeria, Pakistan, Peru, Russia, Spain, Turkey, UK, and US.

raises questions. Our constantly shifting and diverse regulatory baselines reduce our sense of control. Calibrating all of this is both art and science. Until we get better at proactive, sophisticated transparency, the default position among stakeholders will be skepticism and a continuation of perniciously low trust in business. We posit that good practice requires sharing the right information with the right stakeholders at the right time and in the right way. No small task.

We believe that leadership on transparency is needed to set new standards that other companies can learn from, aspire to and work toward. So, how can companies navigate this complex landscape? Our humble hypothesis is that through a better understanding of the dynamics of transparency, along with more knowledge of current and future trends, companies and other organizations will be more able to stay a step ahead and go beyond what they are already doing to build enduring trust with their stakeholders. SC Johnson, GlobeScan and those with whom we spoke hope that the insights contained in this report contribute at least a little.

A Recurring Priority for All

Letter from Chris Coulter, CEO, GlobeScan



The world is undergoing disruption at an unprecedented pace. We are increasingly living in what some are calling a VUCA world: volatile, uncertain, complex and ambiguous.

All of this is having an impact on people's hopes, expectations and ultimately their trust in institutions. We believe that transparency — be it shared between individuals or with society's most influential organizations — is vitally important as we manage our way through our increasingly dynamic world.

Indeed, trust in business and government is especially low precisely at the moment when we need to be bold and create a new economy that is more inclusive and sustainable. Without trust, this change is nearly impossible; with it, we have a chance to deliver on a better world. This is something that Abraham Lincoln understood over 150 years ago: "Public sentiment is everything. With public sentiment, nothing can fail. Without it, nothing can succeed."

In all of our work exploring how to build more trust, there is one recurring priority: transparency. The most effective way to engage people in a low-trust world is through honesty and openness. We have learned that transparency is rich and complex, and expectations for it are shifting. Being transparent is not a passive state of being; it goes beyond simple disclosure and requires

proactive outreach, inclusion and thoughtful responsiveness to help renew relationships with stakeholders and create the foundations for positive change.

It is within this context that we partnered with SC Johnson to explore what some of the leading minds in business,

academia, government and civil society think about the value of transparency and how it can shape a better tomorrow. We spoke with 31 leading thinkers from around the world to help us better understand the dynamics and opportunities of transparency. Plus, SC Johnson shared its own experiences as the company has been a leader in ingredient transparency.

We are so thankful for these wonderful insights from truly world-leading thinkers. We hope they help us all better navigate these challenging times and provide a useful roadmap for transparency, which we believe is a critical force for creating a better future. This is but the beginning of a conversation on where transparency might take us. We look forward to this journey together.

"The most effective way to engage people in a low-trust world is through honesty and openness."

Thought Leaders We Engaged

This report is based on in-depth interviews with 31 global thought leaders, chosen because of their contributions and influence in the area of corporate transparency. Participating thought leaders come from all regions of the world and represent a wide variety of backgrounds in the corporate, NGO, academic, media and government sectors, ensuring a wide range of perspectives. Interviews were conducted by phone between November 5 and 27, 2018.

Primo Barzoni

CEO and President for Palm Spa, Vice President PEFC ITALIA, Palm Spa, PEFC Italia, Italy

Raphael Bemporad

Founding Partner, BBMG, United States

Andrea Brown

Head of Impact Strategy, Quadia Impact Finance, Switzerland

Matteo Giuliano Caroli

Professor, Luiss Guido Carli, Italy

Ken Cook

President and Co-Founder, Environmental Working Group, United States

Stefan Crets

Executive Director, CSR Europe, Belgium

Steven Fish

Founder and CEO, ESG Ledger, Canada

Maria Benedetta Francesconi

Responsible for Secretariat of RBC National Contact Point for OECD Guidelines, Ministry of Economic Development, Italy

David Grayson, CBE

Emeritus Professor of Corporate Responsibility, Cranfield School of Management, United Kingdom

Hugh Jones

Managing Director, Business Services, Carbon Trust, United Kingdom

Tami Kim

Assistant Professor, University of Virginia, United States

Johnny Kwan

Founder and Chairman, Bee Associates, China

Mark Lee

Executive Director, SustainAbility, United States

Momo Mahadav

President and CEO, Maala Business for Social Responsibility, Israel

Joel Makower

Chairman and Executive Editor, GreenBiz Group Inc., United States

Hélio Mattar

President and CEO, Akatu Institute for Conscious Consumption, Brazil

Mary Mazzone

Senior Editor, 3BL Media and TriplePundit

Rodrigo Medeiros

Vice President, Brazilian International Conservation, Brazil

Andrea Moffat

Vice President, Ivey Foundation, Canada

Tim Mohin

CEO, GRI, Netherlands

John Morrison

Executive Director, Institute for Human Rights and Business, United Kingdom

Guo Peiyuan

General Manager, SynTao Sustainability Solutions, China

Leor Rotchild

Executive Director, CBSR, Canada

Luciana Stocco Betiol

Professor of Business Law, Escola de Administração de Empresas de São Paulo da Fundação Getúlio Vargas, São Paulo (FGV-EAESP), Brazil

Chris Taggart

Co-Founder and CEO, OpenCorporates, United Kingdom

Solitaire Townsend

CEO, Futerra, United Kingdom

Sally Uren

CEO, Forum for the Future, United States

Scott Vaughan

President and CEO, International Institute for Sustainable Development (IISD), United States

KoAnn Vikoren Skrzyniarz

Founder and Chief Executive, Sustainable Life Media/Sustainable Brands, United States

Tensie Whelan

Director, Center for Sustainable Business, United States

Ricardo Young

Chairman, Instituto Ethos, Brazil

Seven Key Insights

1

Transparency builds trust.

It is one of the most powerful tools that companies have to build trust among their stakeholders.

2

Transparency is about leadership.

Corporate leaders today need the courage to commit to and advocate for transparency because it plays an important role in creating more shared value that will benefit society.

3

Transparency is evolving.

The dynamics underpinning transparency's rise — technology, expectations and shifting definitions of value — mean that transparency will continue to be redefined over time and will expand in the coming years.

4

Transparency enables stakeholders, such as consumers or NGOs, to hold companies accountable.

Public scrutiny drives companies to become more responsible, benefiting consumers and society at large.

5

Transparency enables companies to shape their own narrative.

By being open and honest about challenges and mistakes, companies can build deeper connections and social capital with consumers and stakeholders while getting ahead of potentially damaging information.

6

Transparency means a change in corporate culture.

In order to become more transparent, companies need to replace a culture of secrecy with a culture of transparency. This can be a challenging process, especially in countries where corporate secrecy is the norm.

7

Transparency is increasingly being driven by consumers.

More than ever, consumers expect companies to be open and honest, while simultaneously calling for healthier and safer products with less environmental and social impact. In the digital age, leading companies can't hold back information and need to proactively engage consumers on a greater set of issues, including how they are protecting and caring for their customers.

Where are we now?

Corporate Transparency Today

"I always look at transparency as a tool, not as a goal in itself. The goal in itself is tangible impact, social impact, and transparency is the way to boost those efforts and at the same time give the feeling that you are actually authentic in your efforts. And I am saying that because I feel that in some cases we are looking at transparency as the goal itself."

— Momo Mahadav, President and CEO, Maala Business for Social Responsibility



THE MEANING OF CORPORATE TRANSPARENCY

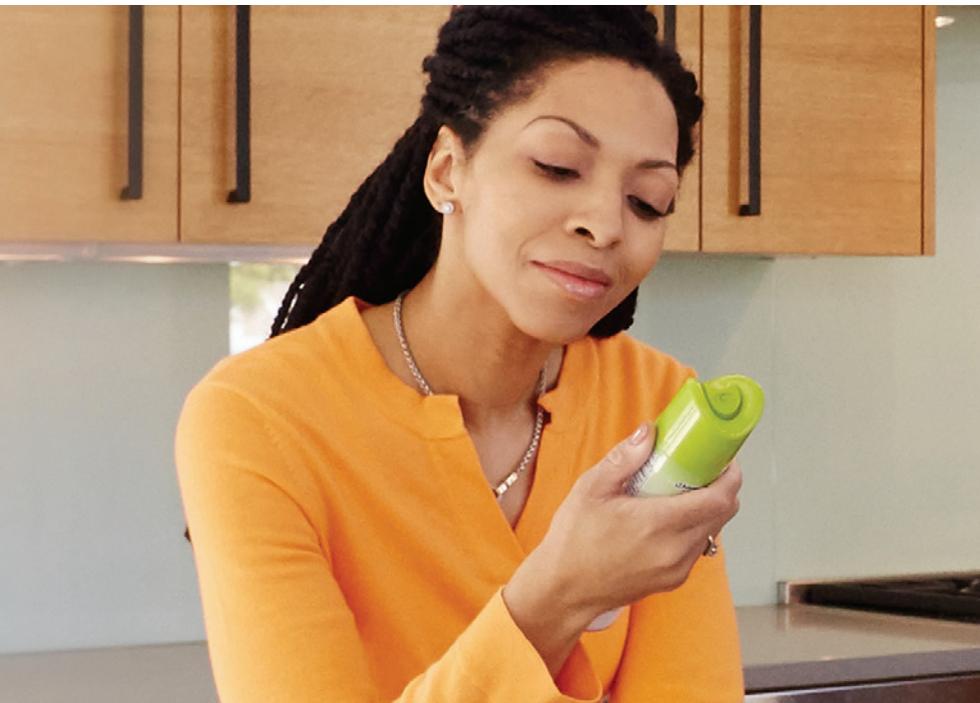
What does it mean for a company to be transparent? When we posed this question to the thought leaders interviewed for this white paper, they told us that companies that invest in transparency essentially leverage two main tools that help create shared value: engagement and disclosure. They engage their stakeholders — shareholders, customers or consumers, employees, suppliers, communities, etc., in the process of disclosing relevant information about their business. According to Guo Peiyuan, General Manager of SynTao Sustainability Solutions, “being transparent is more than publishing a report or disclosing information. Transparency is about communication, but communication normally includes two-way communication. It is not only telling people what the company is doing, but also listening to feedback and responding to it.”

Open and honest communication about corporate vision, objectives and business processes is one of the key elements of corporate transparency, according to the experts interviewed.



“Transparency is about communication, but communication normally includes two-way communication. It is not only telling people what the company is doing, but also listening to feedback and responding to it.”

— Guo Peiyuan, General Manager, SynTao Sustainability Solutions



DOING WHAT “CAN’T BE DONE”

When SC Johnson launched its product transparency program in 2009, suppliers and partners said the level of disclosure the company wanted was impossible. They cited competitive concerns and complexity roadblocks. SC Johnson persevered, negotiated and collaborated. A decade later, the company discloses dyes, preservatives, fragrances and allergens by name, including fragrances down to .01 percent of product formulas across all its brands.



“Consumers now care about the ingredients that are in the products they are buying, how those ingredients will affect their personal human health and increasingly the health of the environment.”

— Mary Mazzoni, Senior Editor, 3BL Media and TriplePundit

At the same time, transparency is challenging because it requires courage to disclose information that is uncomfortable. The thought leaders interviewed emphasize that in the long run, consumers and stakeholders will much prefer to have information about the “bad news,” as long as it comes with a plan to resolve the issue. Steven Fish, Founder and CEO of ESG Ledger, notes that “transparency means not being selective about the information that you share with your stakeholders. It is about sharing the good news and the bad news ... Transparency is really opening up. It is part of a sound modern progressive business strategy that is really what consumers and all stakeholders are demanding.”

Echoing Momo Mahadav who we quoted on page 8, Solitaire Townsend, CEO of the change agency Futerra, emphasizes that transparency must be purposeful. Too often, she says, “transparency is assumed to be a good thing *a priori*. Why is that? Without a purpose, what is its value? The purpose of transparency should be to progress more rapidly toward sustainability at greater scale.”

Experts note that increasing health concerns and more readily available information are changing consumers’ needs and expectations for transparency. Increasingly consumers, along with investors and other stakeholders, feel the need to make informed decisions and are demanding that companies are open and honest. Health is always a powerful driver of stakeholder dispositions, and being open and honest on related matters can be reassuring.



“I wish transparency would be evolving in a way that creates benchmarks for standards in which more transparent companies are rewarded for their actions.”

— Scott Vaughan, President and CEO, International Institute for Sustainable Development

People want companies to be open and honest about their activities, decisions and principles. However, a GlobeScan survey across 23 countries ranked honesty at the bottom of the list for how companies perform.

NET PERFORMANCE OF LEADING COMPANIES

Average of 23 Countries, 2016



*(4+5) minus (1+2) on a 5-point scale, where 5 is an "Excellent job" and 1 is a "Very poor job"

Comments Mary Mazzoni, senior editor of 3BL Media and TriplePundit: "Over recent years we have seen a lot of shifting happening in the area of ingredient transparency, for example. Consumers now care about the ingredients that are in the products they are buying, how those ingredients will affect their personal human health and increasingly the health of the environment. So, we are seeing businesses begin to pick up on some of those movements."

In each of our interviews with a small number of consumers in Brazil, Canada, China, Italy, UK and US that were carried out as part of this study, we consistently heard that it is important to them to understand what is in the products they purchase. In the words of one consumer in the UK: "Obviously I want to know if anything that is within those products is going to be harmful to me or my family. I want to know if they are linked to anything which could cause us harm ... On top of that, for their own brand, their own image, it is really important that they are more transparent, that they are showing that they care, that it is important to them to be responsible."



GETTING SPECIFIC

In 2015, SC Johnson became the first major company to provide product-specific transparency about fragrance. Beyond listing its entire palette of approved fragrance ingredients, the WhatsInsideSCJohnson.com site lists the specific fragrance ingredients in each individual product, sharing more than 99.99 percent of the items in most product formulas.

However, KoAnn Vikoren Skrzyniarz, Founder and Chief Executive of Sustainable Brands, observes that “transparency is a very systemic thing that involves not only ingredient transparency, but also transparency on things like lobbying commitments and where money is going to influence policy.” Rodrigo Medeiros, VP of Brazilian International Conservation, notes that in Brazil, “the consumer will be increasingly aware of how corporations engage in politics, supporting lobbies, lobbying and obviously participating in corruption scandals.”

Finally, Scott Vaughan, President and CEO of International Institute for Sustainable Development, observes that there are different motivations for companies not to be transparent: “One is just they are busy. They get sloppy. They want to move on something very, very quickly. And then at the other extreme there is intended corruption or people are trying to shortcut in order to make profits.” He continues: “I wish transparency would



“Over time, what transparency tends to do is weed out bad actors.”

— Ken Cook, President and Co-Founder, Environmental Working Group



“[Transparency] does not automatically make organizations more accountable, but it makes it easier for governments and civil society and others to hold business to account. It makes it easier for businesses to hold each other accountable, too.”

— John Morrison, Executive Director, Institute for Human Rights and Business

.....

be evolving in a way that creates benchmarks for standards in which more transparent companies are rewarded for their actions. I worry that we may be slipping the other way because of instability in global financial markets, etc. If there is a downturn or a recession, that puts greater pressure on companies or people in companies to take shortcuts.”

THE SOCIETAL BENEFITS OF MORE TRANSPARENCY

Increased trust between consumers or stakeholders and companies is one of the key social benefits of increased corporate transparency, according to the experts we interviewed. Scott Vaughan notes that “society benefits from transparency because there is a greater sense of trust, more broadly speaking at the societal level, and then that trust is translated into different things: pricing would be one example. The public side is not just about how expensive things are, but about how public trust is translated into democratic institutions, etc.”

Thought leaders also mention other broader societal benefits of companies being more open and honest, such as better employee treatment, community conditions or reduced environmental impact as companies open up to public scrutiny. Increased corporate transparency can also help solve larger problems that one company alone cannot solve and reduce the negative impacts of some business decisions on society.

John Morrison, Executive Director of the Institute for Human Rights and Business, explains how corporate transparency facilitates holding businesses to account: “I think [transparency] makes it easier to understand power relationships. It makes it easier to follow relationships and influence. It makes easier to follow the money and possible conflicts of interest. It does not automatically make organizations more accountable, but it makes it easier for governments and civil society and others to hold business to account. It makes it easier for businesses to hold each other accountable, too.”

Adds Ken Cook, President and Co-Founder of Environmental Working Group, “over time, what transparency tends to do is weed out bad actors.”



“... a business with good transparency, in my view, often delivers strong performance because it implies that it has a firm handle on measuring and managing and communicating its strategy ... Those are all signs of a good company ...”

— Hugh Jones, Managing Director, Business Services, Carbon Trust

BENEFITS TO COMPANIES

When we ask the thought leaders interviewed for this paper to describe the benefits and risks of enhanced corporate transparency for companies, they note that companies that engage in corporate transparency are more likely to benefit from a more effective approach to stakeholder relations, cost savings from more efficient processes, and an enhanced capacity to attract better talent and capital. Comments Raphael Bemporad, Founding Partner at the brand innovation firm BBMG: “Transparency, honesty and respect for the truth are the paths to business growth and success.”

Primo Barzoni, CEO and President at Palm Spa and Vice-President at PEFC ITALIA, recognizes that “corporate transparency is not only one of the instruments to create shared value — because it promotes accessibility to information, direct communication with multiple stakeholders and stakeholder engagement — but it can also be a source of competitiveness because it may result in better trust-based relationships with stakeholders, better quality of products and better company reputation.” Ken Cook adds that “it is sort of a point of entry for a growing number of consumers. So, I think it helps them. It demonstrates that they’re listening to consumers.”

Hugh Jones, Managing Director, Business Services at Carbon Trust, notes that corporate transparency signals leadership and strong performance: “The benefits are that a business with good transparency, in my view, often delivers strong performance because it implies that it has a firm handle on measuring and managing and communicating its strategy and achievements. Those are all signs of a good company and one that can be trusted.”

Experts note that corporate transparency can be a differentiator and provide competitive advantage resulting in increased market share. Steven Fish, Founder and CEO of ESG Ledger, notes that long-term benefits can be had when a business proactively invests in corporate transparency before its competitors: “I think those that haven’t thought about full supply chain transparency over the last five years are going to be playing serious catch-up on their competitors that are really opening up to the world to show them how they operate.”

Thought leaders also mention the increased demand from customers for more transparency and for companies to have a broader societal purpose, which will result in more trust and confidence when these expectations are met. As one UK consumer commented, “I think it would develop trust with the person that is buying the product. If you are transparent and you are being honest about what ingredients are inside, you are more likely to think ‘I’m making an informed decision because I know exactly what’s in it.’”

Thought leaders also mention that corporate transparency can be perceived as an “insurance” mechanism able to protect the company from future negative events that may be associated with liability or reputational risk. It lends resiliency. Corporate transparency may help companies become more aware of potential risks within their value chains that are sometimes previously unknown, protecting the company from future liabilities or reputational damage.

There is considerable nuance, however, inherent in operational transparency vs. product transparency. Solitaire Townsend explains: “We believe that big-picture corporate transparency is incredibly valuable. But it cannot come at the cost of product transparency. Ingredient disclosure is very important. That’s the reason why we wrote our Honest Product report. It’s because the future of honesty is about the product in my hand, not the corporate plan, and not the company that made it [from the consumer’s point of view]. There can be literally blood on my hands buying this product ... We think [product transparency] is going to be absolutely crucial but very hard for companies. It is far, far easier for companies to be transparent at the corporate level.”

Of course, companies are not the only actor in all of this. Given the importance of transparency to consumers, society and other stakeholders, governments are increasingly focusing their attention on introducing regulations aimed at increasing corporate disclosure requirements in many areas affected by business activities. This implies that those companies that do not comply voluntarily may soon be affected by a mandatory requirement to comply, according to the experts interviewed. They can be caught unprepared.

“... We believe that big-picture corporate transparency is incredibly valuable. But it cannot come at the cost of product transparency. ... the future of honesty is about the product in my hand, not the corporate plan, and not the company that made it.”



— Solitaire Townsend, Chief Executive Officer, Futerra



“It is more of a risk to not tell your own story and to let others tell it for you.”

— Andrea Moffat, Vice President, Ivey Foundation

RISKS OF BEING TRANSPARENT

The influencers interviewed agree that corporate transparency comes with risks, but Andrea Moffat, Vice President of Ivey Foundation, comments that “it is more of a risk to not tell your own story and to let others tell it for you.” If what is communicated publicly is not enough to satisfy stakeholders’ expectations, or if key pieces of information are not effectively communicated, it may weaken relationships with stakeholders because it may give the impression that the company is not fully transparent or is not fully aware of potential risks. However, providing too much information may also expose the company to undue criticism that can result in stakeholders’ loss of confidence in the company.

Another risk of being transparent is that consumers may get confused. Sally Uren, CEO of Forum for the Future, says that “if you have got something on the pack that no one understands, this might impact that particular purchasing decision. That is a big risk for the brand, particularly when the message is technical and complicated.” For this reason, experts and consumers interviewed agree that companies have an obligation to educate as well as to disclose. “I think they need to educate us. Because even if they were to list the ingredients, we are still not any the wiser if we don’t know the chemicals they are listing. So, firstly educate us,” comments one UK consumer.

Where are we going?

The Future of Corporate Transparency

“Reporting will be one thing, but you are going to have to show people how you got there, and I think that will be the next wave of radical transparency.”

— Steven Fish, Founder and CEO, ESG Ledger

KEY TRENDS

Many companies would like to understand how transparency is going to change in the near future, and how it will be affected by consumer expectations, technology and regulation. Experts in the field offer a range of insights on what we can expect to see in the coming years.

Raphael Bemporad observes that “transparency has changed profoundly in the last five to 10 years, in tandem with the increasing access to digital and mobile communications and ubiquity of information and data ... And so it is no longer that information is confined to corporate reports or even governmental reviews and assessments as much as it is something that is powered by consumers, employees, potential employees and advocacy organizations. It is a context where it is no longer viable to do business without increasing openness, transparency, trust and relationships. And that is the way business should be.”

Solitaire Townsend offers the provocation that the age of transparency is dead and that the age of honesty is what to call it now. “This is because transparency is an institutional value, and honesty is a human value. Since transparency is about information provision, transparency is usually owned by the organization being transparent. Honesty, however, is usually owned by the individuals asking the questions. So, I want to challenge the concept of transparency because I’ve never found an organization where it would be possible to be transparent about all things all the time.”



SPOTLIGHTING SCIENCE

SC Johnson set another new standard for transparency by publicly sharing the detailed criteria of its Greenlist™ ingredient selection program in 2018. Every ingredient in every SC Johnson product goes through the program, which is centered around a four-step evaluation of its potential impact on human health and the environment. By providing the criteria of the program, SC Johnson is sharing a specific, publicly reviewable look at the internal processes and standards of its science.



“Transparency has changed profoundly in the last 5 to 10 years, in tandem with the increasing access to digital and mobile communications and ubiquity of information and data ... And so it is no longer that information is confined to corporate reports or even governmental reviews and assessments as much as it is something that is powered by consumers, employees, potential employees and advocacy organizations.”

— Raphael Bemporad, Founding Partner, BBMG

Companies will have to respond to consumers’ and other stakeholders’ need to have more information — and honesty — about all those business facts or events that have measurable implications. Expectations for corporate transparency from investors, national and international, will keep growing, observes Matteo Giuliano Caroli, Professor of the Business School at Italian university Luiss Guido Carli: “If big companies will not become transparent and be the change agent for the whole supply chain, the system will reject them and they will be left out.”

Meanwhile, a greater number of countries will develop regulations about transparency requirements for companies. In addition, technology will increasingly shape the way companies collect and disclose their information. Companies that set the leadership standard for transparency may well also set the regulatory standard in the process.

And experts observe that there will be more opportunities for leadership; the expectation is that companies will not just ‘do the right thing’ by being transparent but start working together with their industry peers and consumers to introduce systemic change. As Johnny Kwan, Founder and Chairman of Bee Associates, says, there is a need and an opportunity for leaders who will lead the industry “by creating the right purpose, the right plan, the right



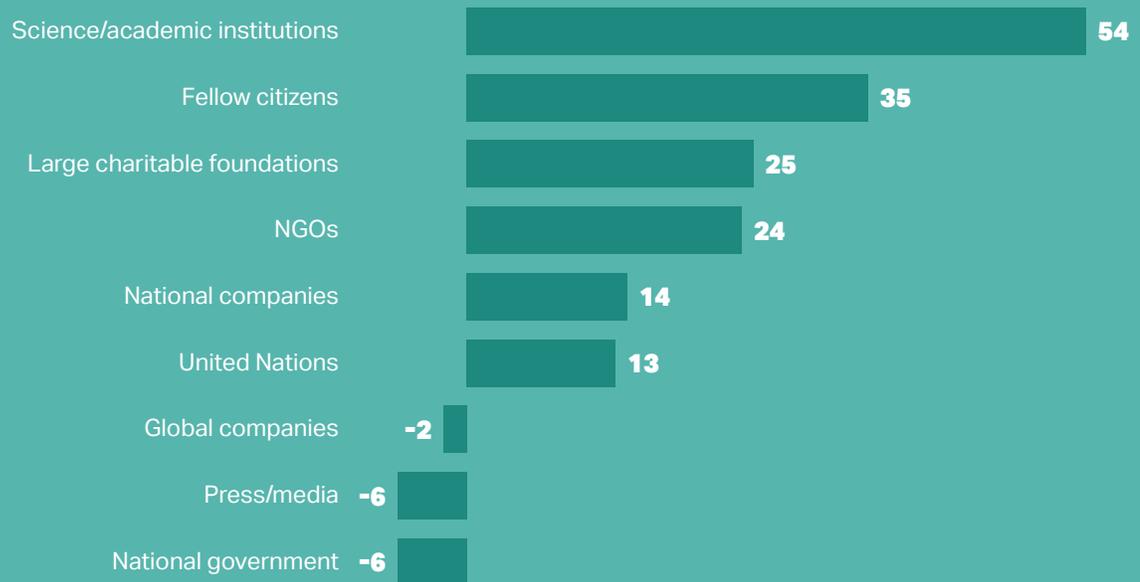
“If big companies will not become transparent and be the change agent for the whole supply chain, the system will reject them and they will be left out.”

— Matteo Giuliano Caroli, Professor, Luiss Guido Carli

Trust remains troubled, with a 2017 GlobeScan survey of net trust in 20 countries showing declines for companies, media and governments.

TRUST IN INSTITUTIONS

Net Trust,* Average of 20 Countries, 2017



*"A lot of trust" and "Some trust" minus "Not much trust" and "No trust at all"

culture, the right degree of collaboration and also by being outspoken advocates." Matteo Giuliano Caroli adds that "corporate transparency is the only way to have strong leadership in the long term. Leadership focused exclusively on economic performance is myopic."

CONSUMER EXPECTATIONS

"Consumers are becoming increasingly aware and they want to support companies that support them," says Tim Mohin, CEO of GRI.

GlobeScan's research consistently shows that consumers and other stakeholders increasingly expect companies to be open and honest. The thought leaders interviewed for this report also observe that consumers are becoming more powerful as their voices are instantly magnified through the digital megaphone.

Thought leaders believe that companies will intensify their commitment to transparency because of their past failures to meet customer expectations, and learning from these.

Tami Kim, Assistant Professor at the University of Virginia, says that "one way I can see the



“Consumers are becoming increasingly aware and they want to support companies that support them.”

— Tim Mohin, Chief Executive Officer, GRI

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future of transparency is that companies will become more responsible in general and the reason being will be transparency. Transparency can come with both rewards and risks. For instance, by engaging in transparency, companies may reveal certain things to consumers only to realize that they actually totally violated consumer trust. But through these experiences, companies can learn first-hand which set of practices is deemed as acceptable or unacceptable by consumers, and as a result, update their practices to be better aligned with consumer expectations.”

Because of the amount of information readily available to customers, those interviewed believe we will see more demand for information about corporate practices beyond their products. Not being able to find that type of information will be considered unacceptable with repercussions for companies’ credibility and reputations. Mary Mazzoni observes that “expectations about honesty and transparency have increased dramatically in the internet age. Right now we are so used to having information at our fingertips at all times that when companies are unwilling to communicate with us it sends up a red flag now among consumers. When companies are resistant to communication, that is something that is going to get them noticed in a very negative way and I think that is only going to increase as we move forward.”

Experts also note that there is a “greater call for searchability — being able to mine through vast amounts of data in a simple way — and more bite-sized messaging as a way to reach audiences with information that is more specialized.” (Leor Rotchild, Executive Director of CBSR). Ken Cook adds that “people are looking for third-party validation of company claims because they have come to discount in some ways what they hear from companies and company marketing.”

Those interviewed also predict that we will see trends of buying healthier, more sustainable products, or at least products that are branding themselves that way. Customers will also increasingly ask for transparency on companies’ environmental and social impact, and some behaviors that were acceptable in the past will no longer be acceptable (e.g., lack of diversity, mistreatment of animals, pollution, etc.).

INCREASING UNDERSTANDING

With its Glade® Fresh Citrus Blossoms products, SC Johnson became the first major consumer products company to reveal 100 percent of the fragrance ingredients in a product collection, down to the individual fragrance components. The company did this to illustrate that both natural and synthetic fragrances are made up of tens or hundreds of individual components that often go undisclosed.



“If people are more open and honest we can make the choice about whether or not we want to carry on using something that contains those chemicals or whether we can make the choice to be more socially responsible ourselves,” explains one UK consumer. “But without that choice, if everything looks the same we are going to choose either a brand that we prefer, or we are going to choose it by price. But if we understand a little bit better about what we are using, we can make a more informed choice.”

David Grayson, Emeritus Professor of Corporate Responsibility at the Cranfield School of Management, talks to us more specifically about consumer segments that will advance demand for transparency: “As you have a growing number of more affluent younger people who are more used to digital information and who have thought about the potential of things like blockchain and traceability, there is likely to be an increasingly educated consumer

“As you have a growing number of more affluent younger people who are more used to digital information and who have thought about the potential of things like blockchain and traceability, there is likely to be an increasingly educated consumer segment that has the hunger for transparency and that has access to the mechanisms that push for it more quickly.”



— David Grayson, CBE, Emeritus Professor of Corporate Responsibility, Cranfield School of Management



“More and more, the reputation of companies will result from stakeholders talking about these companies and less from what they themselves speak of themselves. The strength of technology in this sense will be extraordinary.”

— Hélio Mattar, President and CEO, Akatu Institute for Conscious Consumption

segment that has the hunger for transparency and that has access to the mechanisms that push for it more quickly.”

However, not all of the experts agree that consumer expectations will be a key driver of transparency in the future. According to Stefan Crets, Executive Director of CSR Europe: “Consumers care about price, design and quality. And then about ingredients included. They will tell you they care in the surveys. They do care, but in the supermarket, which is the real survey, they don’t. So, consumers are not driving the change, but businesses themselves, politicians, pressure groups, stakeholders, etc., are.”

Scott Vaughan observes that there is also a generational component to the dynamics of transparency: “Younger people are more concerned than the older ones, of which I’m one. This notion of a circular economy, as well as low-carbon and the issue of climate, motivate younger consumers much more. They are more inclined to ask about the carbon footprint of a product, or the sustainability aspects of a product. They also may not want to own the product at all, but instead find ways of sharing a product or service — apps are springing up offering new dimensions in the shared economy. These different values that younger people bring to their consumer choices are opening new avenues for how you define transparency and what is included in it.”

THE IMPACT OF TECHNOLOGY

The thought leaders interviewed for this paper certainly agree that technology is already shaping corporate transparency. Data and information will increasingly be available almost in real time, and the depth and quality of data will reach a level of sophistication that will allow consumers, stakeholders and the companies themselves to make more informed decisions. Technology will make this information easily available to stakeholders, e.g., through “live” sustainability reports where stakeholders can search for the detailed data they want. For consumers, Ken Cook notes that “the main thing is people are going to want to be able to lock into desirable choices and just double-check them very quickly or verify them

When trust fails, it's bad for industry.

REGULATION

82% agree that the pharmaceutical industry needs more regulations

TAX POLICY

70% agree that policy makers should tax foods that negatively impact health

REFORM

53% do not agree that financial market reforms have increased economic stability

2017 Edelman Trust Barometer

very quickly using their phones, scanning product codes, getting updates texted to them in the retail.”

Comments Hélio Mattar, President and CEO of the Akatu Institute for Conscious Consumption: “Technology, from the simplest forms of relationships via social networks to the most complex by means of artificial intelligence algorithms for large amounts of information, will be of increasing importance. We have not yet seen anything that could beat the impact of technology, for example, in the formation of brand reputation. More and more, the reputation of companies will result from stakeholders talking about these companies and less from what they themselves speak of themselves. The strength of technology in this sense will be extraordinary.”

Rodrigo Medeiros adds that “there is a great challenge for companies to get accurate and correct information to their consumers. Technology can have a beneficial effect on the creation and consolidation of new brands, but it can also have a catastrophic effect of the destruction of brands.”

Technology also provides opportunities for transparent collaboration. Leor Rotchild explains that technology will change the way companies collaborate: “it will enable collaborative

platforms where people are working together with their suppliers and their contractors, providing more training and more engagement ... even collaborating with their competitors using technology platforms that enable them to have social media-like capabilities and the way to problem-solve issues that are common among companies working toward the same goal." Such collaboration will be an important way for companies to understand and manage the complexity of supply chains to meet demands for more transparency and traceability, notes Sally Uren.

Experts believe that more automation, web 3.0 and artificial intelligence will change the way companies report and measure their processes at every level of the supply chain, which then creates large opportunities for businesses to learn, innovate, pivot and lead. Blockchain is an impactful technology that is already enabling transparency in the supply chain, and it is highlighted by several thought leaders as a development that can have a large impact on corporate transparency. Notes Joel Makower, Chairman and Executive Editor of GreenBiz Group: "the demands for transparency are not going to decrease and there is a lot of enabling technologies like blockchain that will make traceability and transparency much easier for everybody and more affordable. So as those increase and become more available I think that will also lead to more demands for transparency." Scott Vaughan observes that "blockchain has one area in which it shows enormous opportunity, which is to provide assurance of transparency within different stages of complex global supply chains. One of our partners has been working with it in Cambodia looking at certified seafood, that what it says on the shelf in the Sainsbury's in London reflects the conditions in which the seafood was caught in Cambodia and Vietnam. Blockchain is able to break up the different parts of that in a way in which consumers can have greater assurance."

However, there are also serious concerns around transformative technologies like blockchain. Sally Uren observes that "technology can be a brilliant good thing for supply chain transparency, and it could also not be a brilliant thing. If blockchain technology evolves and we get issues around ownership of data, that is not good. Blockchain can offer decentralized, open-access data that is owned by everybody. Technology has the potential of transforming transparency and traceability, but there are concerns around ownership and privacy."



"Technology has the potential of transforming transparency and traceability, but there are concerns around ownership and privacy."

— Sally Uren, CEO, Forum for the Future



TELLING THE WHOLE STORY

When proponents of fragrance transparency ask for allergen disclosure, they typically focus on a list of 26 substances that the European Union specified in 1999. But SC Johnson's allergen transparency goes much further. It covers the presence of 368 skin allergens that may occur in its products. "Just like when we started listing preservatives, dyes and fragrances, we didn't stop with the industry standard," said Chairman and CEO Fisk Johnson. "We want to tell the whole story."

THE IMPACT OF REGULATION

We asked influencers about the role of regulation as we move toward more transparency, and those interviewed note that regulation is a very important instrument that will be a growing force that drives transparency through reporting and disclosure requirements. According to Andrea Brown, Head of Impact Strategy at Quadia Impact Finance, "there's just generally a sense that regulation is pushing for more transparency, whether that is on climate risk or on ESG (environmental, social and governance) indicators or whatever that may be. But there's definitely a push for more reporting and more transparency across the value chain." Adds Sally Uren, "legislation is coming, it is just a matter of when it comes."

However, regulatory pressures will differ country by country. Andrea Moffat comments that the implication is that "companies need to think about the trend toward mandatory ESG disclosure requirements. They need to think about what jurisdiction is setting the highest bar on regulation and make sure that, at a minimum, they are able to meet and exceed these standards across their businesses globally."

Adds Rodrigo Medeiros: "Companies that have transparency as a principle should adopt the highest level already employed in its operations in other countries, even if the national



“The best practice is to go beyond compliance whenever the local standard is clearly inferior to what that company is already accustomed to in more developed markets. That is what you should expect from global companies with genuinely planetary principles, who understand that a consumer is equally important no matter where he is.”

— Rodrigo Medeiros, Vice President, Brazilian International Conservation

legislation is less demanding. The best practice is to go beyond compliance whenever the local standard is clearly inferior to what that company is already accustomed to in more developed markets. That is what you should expect from global companies with genuinely planetary principles, who understand that a consumer is equally important no matter where he is.”

Regulations will need to be updated as technology evolves. Experts note that current regulatory frameworks are mostly designed to cover non-digital issues. Given that we live in an era in which technology is playing an expanding role in all aspects of our lives, and that companies will hold increasing amounts of data about consumers as a result, it will be challenging to regulate.

Chris Taggart, Co-Founder and CEO of OpenCorporates, also notes that there is a danger of regulating to the lowest common denominator, possibly reinforcing poor standards: “There is definitely a need for regulation but it should be coming from enforcing best practice rather than trying to put everything at the same level.” Instead, “innovation should be coming from outside of government and then government should be enshrining best practice in law and then gradually raising those standards.”

Thought leaders agree that companies need to stay ahead of legislation. KoAnn Vikoren Skrzyniarz observes that “more and more companies realize that if they are going to be leaders and cementing relationships with consumers or customers they have got to be proactive at leading on this front. And being in compliance is not enough anymore.”

How do we get there?

The Path to Transparency

“The traditional disposition of ‘holding back and non-disclosure’ won’t be sustainable for some of these larger companies moving forward because of what people have come to expect. And this is because of all the hard work that leading companies have done in these areas. Consumers have seen that some large businesses are capable of setting new high standards of transparency.”

— Mary Mazzoni, Senior Editor, 3BL Media and TriplePundit

OBSTACLES TO CORPORATE TRANSPARENCY

If corporate transparency comes with so many benefits, why are more companies not working to excel at it?

The answers are not straightforward. Experts point out that transparency is still perceived as a burden for many companies. It requires a company to look not just at financial data but at the bigger picture in terms of ethics, diversity and the environment. Some companies lack the capacity, skills and resources to do that well. Modern supply chains are very complex and sometimes it is difficult for business leaders to have detailed information about every stage of the value chain. Raphael Bemporad observes that “there is an angst that many business leaders feel where they want to be able to stand with pride and confidence with the integrity of their entire supply chain through transparency, and then there is a risk of not actually being able to control all the tiers of your vendors and your manufacturing process.”

The thought leaders interviewed for this paper agree that the pathway forward is primarily cultural. Embracing a culture of transparency implies that the organization will show “who they are,” which will mean honesty over perfection — something that the consumer now

EDUCATING ABOUT CHOICES

One challenge of increasing transparency is that it opens companies up to more scrutiny. SC Johnson experienced this when its fragrance transparency progress led to ingredient lists with many more chemical names that were unfamiliar to consumers. At the same time, the “natural products” marketing wave was rising, leading some consumers to demand products that are “chemical free.” Rather than dial back its transparency, SC Johnson tackled misperceptions head on with a marketing campaign focused on educating about product chemistry.





“... To empower the idea of transparency, we have to go back to basics and we have to look at the governance structure and make sure transparency is protected and celebrated at all levels of the organization.”

— Steven Fish, Founder and CEO, ESG Ledger

expects. Nevertheless, enhanced transparency will mean losing some control over the information that is communicated to the public. According to Mary Mazzoni, it will mean “opening up a direct conversation with customers and the public rather than selling a marketing message.” It will also require a major shift within the organization and its culture. Steven Fish observes that “most companies have a culture of secrecy and not transparency. So I think in order to empower the idea of transparency, we have to go back to basics and we have to look at the governance structure and make sure transparency is protected and celebrated at all levels of the organization.”

In addition, the tension between a new corporate culture of transparency and shared value, and the old one of purely rewarding market gains, will need to be overcome in order for companies to become more transparent. Ricardo Young, Chairman of Instituto Ethos, says cultural change within an organization requires a leadership mindset that may be lacking as key executives tend to rise to prominence through embracing a different cultural mindset that emphasizes values such as competition and individualism. So, in order to achieve increased transparency “it is part of the cultural change of companies to choose with great zeal the people who will have the responsibility for the evolution of the company’s culture.”

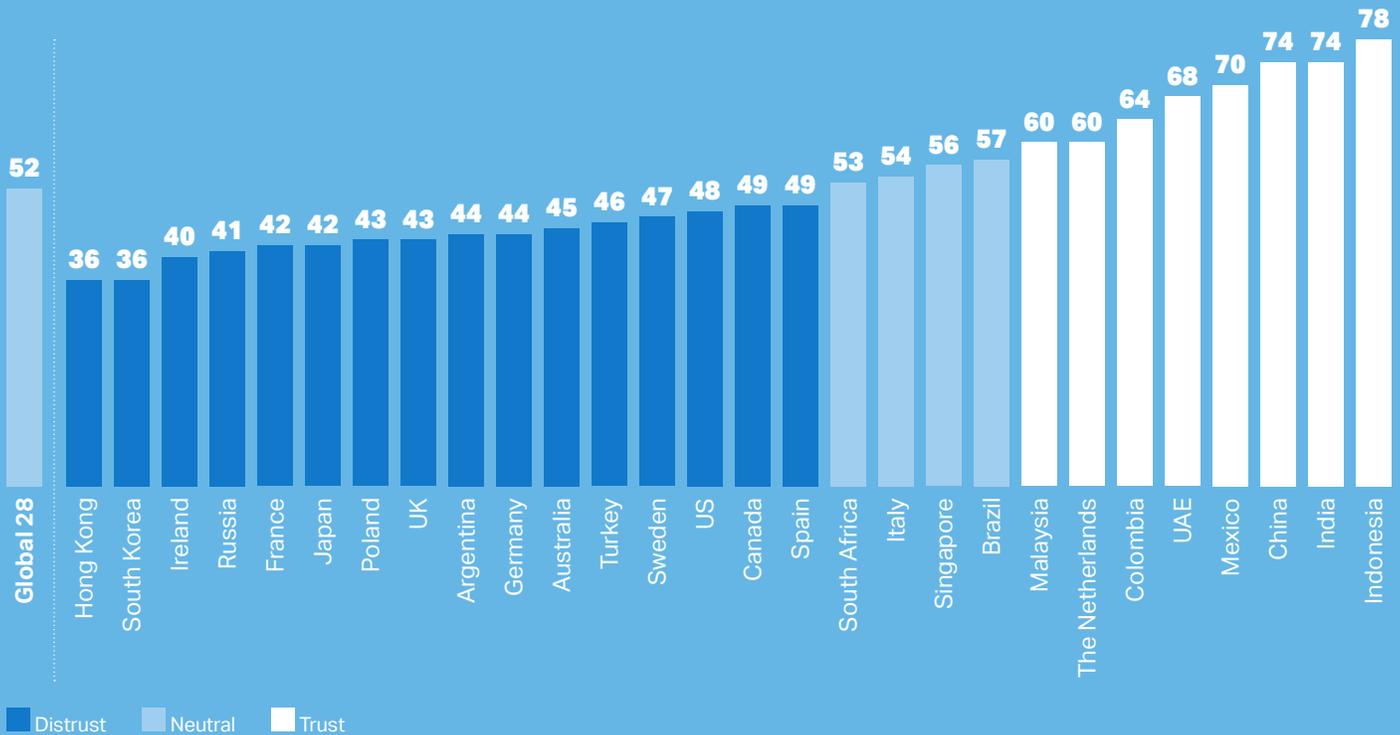
To overcome a culture of secrecy requires internal change that cannot happen overnight. Thought leaders believe that cultural change will require internal communication about the reasons why the organization needs to adapt or even transform itself, knowledge about the benefits of transparency, understanding of the competitive landscape, and political leaders that can drive appropriate regulation. More quantitative research and evidence based on successful businesses needs to be developed and broadly communicated to help overcome this barrier.

In addition, some thought leaders point out that while transparency needs to be part of an organization’s culture, it also needs to be part of the national culture. Different countries have different cultural approaches to transparency. For example, Maria Benedetta Francesconi,

In more than half of the markets surveyed in the 2018 Edelman Trust Barometer, trust in business is below 50 percent.

TRUST IN BUSINESS

Percent trust in business



an Italian government official in the Ministry of Economic Development, notes that although there is sensible progress among Italian companies on transparency there remain some obstacles. The main obstacles are cultural, including perceptions of reputation risk when the disclosed information is used against the company, the fear that disclosing too much may advantage competitors, a lack of research both at the national and international level to show the corporate benefits of being transparent, and a lack of specific knowledge on how to manage the process at the enterprise level with reference to the environmental and social dimensions of transparency. Matteo Giuliano Caroli notes that in Italy, “a new business culture based on transparency is already emerging among the leading companies, but it needs to become widespread among the larger part of the economic system. Indeed, public institutions, relevant associations and large companies are undertaking various initiatives to support this wider development.”

Similar dynamics are also barriers to transparency in Brazil. Luciana Stocco Betiol, Professor of Business Law at Escola de Administração de Empresas de São Paulo, notes



“It is about understanding stakeholders and impact, communicating things with simplicity while addressing complexity, using appropriate technological platforms, learning how to be outstanding at collaboration, and ultimately leveraging the power of the brand as a trust mark in a way that complements or even almost displaces the need for specific disclosures.”

— Mark Lee, Executive Director, SustainAbility

that in Brazil companies are not used to opening themselves up to public scrutiny.

They worry that consumers will focus on the negative aspects rather than the positive ones if any wrongdoing is exposed. In addition, Brazilian companies feel vulnerable and exposed to competitors who do not choose to be equally transparent, resulting in a general unwillingness to take the lead on corporate transparency. Johnny Kwan mentions that in China, as well as in Hong Kong, there is also a general sense of hesitation and fear of going public when things go wrong. A good example is in cases in which data breaches affecting large numbers of customers have occurred, such as the recent case with Hong Kong airline Cathay Pacific.

Thought leaders interviewed also note that in general companies may still believe that there are insufficient incentives to being fully transparent. The mentality of protecting corporate reputation and avoiding disclosure of risks remains pervasive. Ken Cook comments that, in the context of ingredient disclosure, “some companies are just not convinced that it’s worth their trouble yet to disclose this information. This is because of intellectual property or they may feel like they’re raising questions with a certain percentage of their consumers who didn’t have that question to begin with.”

RECOMMENDATIONS FROM THOUGHT LEADERS

For companies, becoming transparent is an incremental journey that must begin somewhere. The experts interviewed for this paper recommend that companies begin by being more proactive and less reactive, and invest in multi-stakeholder relations and engagement systems that drive performance on transparency.

Good leadership on transparency will entail honest openness about corporate strengths, weaknesses, risks and opportunities. It will be based on multi-stakeholder and shared-value creation models in which companies “are willing to increase stakeholders’ awareness about

the challenges linked to global supply chains and where there is consensus about how much disclosure there should be,” says John Morrison. Raphael Bemporad adds that “this creates enough goodwill in some circumstances or helps to bolster goodwill ... When companies hide information and things do not go well, they won’t have allies standing by their side.”

Companies are also encouraged to conduct and review evidence-based research that focuses on best practices, benefits and risks of corporate transparency, including case studies about the journeys of companies that successfully became more transparent. These can help kick-start their transition to an ethos of transparency.

Ricardo Young comments that academic research is needed to demonstrate how trust and transparency are good for business, including talent retention, supply chain relationships, increased consumer confidence, and the kind of brand loyalty that protects a company during crises and recessions. “There is much information in the United States, but there is no serious work in Brazil on transparency and trust and the success of organizations. I think we need more concrete evidence for businesses and business schools to boost this new mindset.”



SPANNING THE GLOBE

In 2018, SC Johnson fulfilled the worldwide commitment it made nearly 10 years earlier by expanding its ingredient disclosure to Latin America. The company now delivers transparency to billions of consumers globally who use its products — and importantly, it does so with a consistent set of processes and principles across geographies and markets. The [WhatsInsideSCJohnson.com](https://www.whatsinsidescjohnson.com) website includes products from Argentina to Vietnam.

Today, people say trust is a key factor in decision making. The 2018 Edelman Trust Barometer found:

"A good reputation may get me to try a product — but unless I come to trust the company behind the product I will soon stop buying it, regardless of its reputation."

63%
agree

Thought leaders note that an overall transparency climate and culture needs to be created by businesses and government, together. Having better regulations, communication campaigns aimed at educating stakeholders and some financial support may help corporate transparency moving forward. Tensie Whelan, Director of the Center for Sustainable Business, observes that this may include "consumer organizations being supportive and rewarding companies with good publicity when they are transparent, positive rating systems for transparent companies that are publicized, investors supporting companies that are transparent with lower cost of capital, etc."

Experts also comment that collaboration and communication with different stakeholders across the value chain that result in meaningful and transparent information for consumers and other stakeholders will play an important role in corporate transparency. Mark Lee, Executive Director of SustainAbility, affirms that "it is about understanding stakeholders and impact, communicating things with simplicity while addressing complexity, using appropriate technological platforms, learning how to be outstanding at collaboration, and ultimately leveraging the power of the brand as a trust mark in a way that complements or even almost displaces the need for specific disclosures."

Having credible third-party partners may also be important to hold companies accountable. "We would love it if more companies saw the CCSR or other membership networks as the place to really enjoy a safe space to learn and share and have candid conversations with companies from different sectors across the country on positive progress on transparency," notes Leor Rotchild.



“As companies determine that they want to be leaders in transparency, they are going to need to be super clear and articulate about the fact that they have made a strategic decision to full disclosure, as much as legally possible, and to reinforce that the disclosures are holistic in nature, not just selective.”

— KoAnn Vikoren Skrzyniarz, Founder and Chief Executive,
Sustainable Life Media/Sustainable Brands

When it comes to operationalizing transparency we are advised that “the decision to tread a path of greater transparency is a decision of cultural change in the companies themselves, so when this decision is made, generally at the top of the organization, it is necessary to work with the various leaders of day-to-day operations and convince them that the truth should permeate messages, communication and relations with stakeholders. This is the hardest stretch to be trekked,” observes Hélio Mattar.

KoAnn Vikoren Skrzyniarz adds that to counter distrust from consumers, “as companies determine that they want to be leaders in transparency, they are going to need to be super clear and articulate about the fact that they have made a strategic decision to full disclosure, as much as legally possible, and to reinforce that the disclosures are holistic in nature, not just selective.” She recommends that companies “disclose [their] shortcomings, as much as [their] wins. There is no way else to reduce cynicism and skepticism amongst consumers, but to disclose where you are falling short.”

With the last word that echoes Solitaire Townsend’s, Momo Mahedev’s and others’ advice, David Grayson instructs us “not to see transparency in isolation. Not to treat it as a standalone. Understand that transparency is an integral part of embedding sustainability into the business ... How do you use transparency as a way of improving the quantity and the quality of engagement with your different stakeholders? For example, by having greater transparency, you are open about those areas where you are struggling and need more help — where you are open to external collaboration.”

Conclusion

We began this project charged by SC Johnson to identify the dynamics and opportunities of transparency and their impact on trust. Ten years into their transparency journey, SC Johnson has seen the complexities and benefits of leading on ingredient transparency, and expects more of both in the future.

Likewise, the 31 thought leaders we spoke with shared numerous perspectives on what the future of transparency will hold, offering a valuable sense of where we have come from and what a range of possible futures may look like. We know for certain, though, that the motives, modalities and measures of effective transparency will continue to shift rapidly. Leadership standards will morph while becoming ever more demanding in the process.

It is clear that corporate culture, and the internal and operational instincts that are shaped by it, are at the core of how companies approach transparency today and will remain so. We also know that corporate cultures are often difficult and slow to change. Rising stakeholder expectations for transparency may well outpace the speed at which established companies are able to adapt.

With new companies forming, finding their legs and succeeding more rapidly now than ever, new and different cultures of transparency are quickly emerging. The pace of technological development, the rising privacy imperative and the growing value of intellectual property in a knowledge-based economy are combining to multiply the ways in which companies manage their transparency policies and practices. The diversity is manifold. Transparency is now a powerful differentiator among companies, with material implications for their reputations and the ever-so-valuable trust that their stakeholders have in them.

The rules and tools of transparency are changing, just as its very definition is being transformed. If we are to conclude one thing, it is that successful companies will be the ones that either lead by setting the standard or that adapt to it with the most agility, sincerity and honesty. Our thanks go to SC Johnson for making this collection of insights possible.

Methodology

This report is based on in-depth interviews with 31 global thought leaders, chosen because of their contributions and influence in the area of corporate transparency. Participating thought leaders come from all regions of the world and represent a wide variety of backgrounds in the corporate, NGO, academic, media and government sectors ensuring a wide range of perspectives.

Interviews were conducted by phone between November 5 and 27, 2018. Each interview was about one hour in length, with all thought leaders answering the same set of primary questions but with follow-up questions varying depending upon the themes emerging from the conversation and the influencer's expertise.

We also carried out in-depth interviews with 6-8 consumers in each of Brazil, Canada, China, Italy, UK and US about their views on product ingredient transparency. These interviews were conducted in-person with a team filming the interview inside respondents' households. While we do not claim these interviews are in any way representative of consumer views, a few quotes from these interviews were used to illustrate points in this white paper.



The chemical formula on the front represents ingredients in a banana.

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