Values, Trust and Science

Building Trust in an Age of Radical Transparency and Unbridled Social Media

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“...The world has the technology to feed, on a sustainable basis, 10 billion people. The pertinent question today is whether farmers and ranchers will be permitted to use this technology.”

— Norman Borlaug, 2000
Freedom to Operate
Social License
Social License

**Definition:** The privilege of operating with minimal formalized restrictions (legislation, regulation, or market requirements) based on maintaining public trust by doing what’s right.

**Public Trust:** A belief that activities are consistent with social expectations and the values of the community and other stakeholders.
The Social License To Operate

Flexible
Responsive
Lower Cost

Social License
- Ethics
- Values
- Expectations
- Self regulation

Rigid
Bureaucratic
Higher Cost

Social Control
- Regulation
- Legislation
- Litigation
- Compliance

Tipping Point

Single triggering event
Cumulative impact
The Social License To Operate

Proactive

Industry Engagement

Education, BMP’s, Certification, Verification

Social License

Social benefit perceived greater than social cost

Reactive

Lobbying, Regulatory Affairs, Litigation

Social Control

Social cost perceived greater than social benefit

Change in social norms (values, ethics, expectations) can shift tipping point

Market Intervention Can Shift Balance
- Customer Mandates
- Consumer Boycott

Tipping Point
Kellogg is facing anger on social-media sites because of complaints that its popular Kashi brand of cold cereals doesn't live up to the company's "natural" billing on ads and boxes.

- Photos of the note began popping up on Facebook pages and food blogs as some consumers claimed Kellogg was misrepresenting its cereal.

Shelf tag from one store in R.I. triggers on-line firestorm for Kashi
• Kashi has done nothing wrong, says David DeSouza, Kashi general manager.

• "The FDA has chosen not to regulate the term 'natural,' " he says. The company defines natural as "food that's minimally processed, made with no artificial colors, flavors, preservatives or sweeteners."
Social Media Backlash

Kashi
The Seven Whole Grain Company

facebook
“What fakers and deceivers. YUCK.” – Heather

“All giant corps think we (the consumers) are just morons that can’t read or search for the truth.” - Lisa
“You are a wolf in sheep's clothing. Your guise of being a company that cares about the health of people and the planet is an insult to all of us who DO care about the health of people and the planet. No integrity, just lies....and all for MONEY...sickening.” - Pamela
“I will be personally advocating for everyone I know to BOYCOTT Kashi moving forward. In the end, you have LOST OUR TRUST. Unfortunately, Kashi is just another typical American food company... SHAME ON YOU.”, Jason
GMO Debate

Supporters of GMO Labeling Collect 30,000 Signatures

Vermont House passes GMO-labeling law

Maine GMO Labeling Bill Approved By State Senate

Oregon set to ban GM salmon and mandate GMO labeling

New York GMO Labeling Bill Could Affect Other States As Well

GMO Labeling Battle Heats Up in Washington State
GMO Debate

Italy Becomes the 9th EU Nation To Ban Monsanto’s GMO Corn

Chile fights GMO in national protest against ‘Monsanto law’ (PHOTOS, VIDEO)

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400 Farmers Destroy Life-Saving Rice Crops, and That’s a Good Thing

64 countries around the world label GE food

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Earning and Maintaining the Social License (Sapp/CMA)

Social License

Freedom to Operate
Trust
Earning and Maintaining the Social License (Sapp/CMA)

Confidence

Trust

Social License

Freedom to Operate

Competence

Influential Others

Value Similarity

Trust research was published in December, 2009 – Journal of Rural Sociology
What Drives Consumer Trust?

Shared values are 3-5X more important in building trust than demonstrating competence

Trust research was published in December, 2009 – Journal of Rural Sociology
“They don’t care how much you know until they know how much you care!”

- Theodore Roosevelt
Polarizing Perceptions

CONTROVERSIAL FOODS

CONTROVERSY-FREE FOODS
Giant Global Challenges

- Population - Increasing demand for food
- Urbanization
- Globalization
- Changing patterns of consumption
- Regulations & market conditions (local / national / international)
- Limited natural resources: water, biodiversity, soil, energy
- Limited land area
- Climate change & environmental impact
- Bio-energy
- Health & wellness
- Food safety & emerging pathogens and pests
- Public acceptance
Values and Ethics in Our Science Based Culture

Why we struggle building trust even though we care and are committed to doing the right thing
Questions of Values and Ethics
Kohlberg’s Moral Hierarchy

Three Levels – Six Stages
1. Pre- Conventional
   • Direct impact on me
2. Conventional
   • Societal expectations
3. Post-Conventional
   • Principle driven

Lawrence Kohlberg
1927 - 1987
<table>
<thead>
<tr>
<th>Questions of Values and Ethics</th>
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<tbody>
<tr>
<td>Kohlberg’s Moral Hierarchy</td>
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</table>

<table>
<thead>
<tr>
<th>Post Conventional</th>
<th>Universal ethical principle orientation</th>
<th>We have an ethical obligation to produce safe food responsibly, and to respect our employees, the environment, our customers and our communities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Conventional</td>
<td>Social contract orientation</td>
<td>We comply with all food safety, environmental and employment laws and regulations</td>
</tr>
<tr>
<td>Pre-Conventional</td>
<td>The “law &amp; order” orientation</td>
<td>We take care of the water, land and animals because that generates the best ROI</td>
</tr>
<tr>
<td></td>
<td>The “good boy / nice girl” orientation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Personal rewards orientation</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Punishment-Obedience</td>
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# Questions of Values and Ethics

## Kohlberg’s Moral Hierarchy

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<th>Post Conventional</th>
<th>Universal ethical principle orientation</th>
<th>NGOs</th>
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<td>Principle driven</td>
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<table>
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<tr>
<th>Conventional</th>
<th>The “law &amp; order” orientation</th>
<th>Business</th>
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<td>Societal expectations</td>
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<td>Punishment-Obedience</td>
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Sustainable Balance

Economically Viable
- ROI
- Demand
- Cost Control
- Productivity
- Efficiency
Profitability

Scientifically Verified
- Data Driven
- Repeatable
- Measurable
- Specific
Objectivity

Knowledge

Ethically Grounded
- Compassion
- Responsibility
- Respect
- Fairness
- Truth
Value Similarity

Feelings
Belief

Sustainable Systems

Knowledge
Brands as Agents of Social Change

NGOs have discovered that they can accomplish their objectives more quickly through the market than through legislation or regulation.
Regulation vs. Market Pressure

“We attack the weakest link in the company’s value chain,”
Kert Davies, Director of Research, Greenpeace

“We can dance with you or dance on you”

“Discovering brands was like discovering gunpowder.” -
Global Brands

Wal-Mart has 1.8 million associates in 6,500 stores in 15 countries serving 176 million customers each week.

McDonald’s has 30,000 local restaurants serving 50 million people each day in 119 countries.
Petition to WalMart:

As a consumer, I refuse to purchase Monsanto's new genetically engineered sweet corn and urge you to protect your customers by committing to not sell Monsanto's GE sweet corn by April 1, 2012.
Top Five US Retailers Now Sell More Than Half of All Food and the Top Ten Companies Sell More Than 75%

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Company</th>
<th>Number Corporate/ Franchise Stores</th>
<th>Sales in $ Billions</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Wal-Mart</td>
<td>2,981</td>
<td>232.9</td>
</tr>
<tr>
<td>2</td>
<td>Kroger Company</td>
<td>4,276</td>
<td>66.6</td>
</tr>
<tr>
<td>3</td>
<td>Costco Wholesale Corporation</td>
<td>1,458</td>
<td>59.0</td>
</tr>
<tr>
<td>4</td>
<td>Safeway</td>
<td>1,767</td>
<td>40.5</td>
</tr>
<tr>
<td>5</td>
<td>Supervalu</td>
<td>2,567</td>
<td>37.0</td>
</tr>
<tr>
<td>6</td>
<td>Ahold USA</td>
<td>3,827</td>
<td>24.0</td>
</tr>
<tr>
<td>7</td>
<td>Publix Supermarkets</td>
<td>885</td>
<td>21.7</td>
</tr>
<tr>
<td>8</td>
<td>C&amp;S Wholesale Grocers</td>
<td>0</td>
<td>19.4</td>
</tr>
<tr>
<td>9</td>
<td>Delhaize America</td>
<td>1,544</td>
<td>17.3</td>
</tr>
<tr>
<td>10</td>
<td>7-Eleven</td>
<td>6,013</td>
<td>15.0</td>
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Australia - Coles and Woolworth Control 80%
Transparency
No Longer Optional

Someone is watching everything you do all the time
Online in 60 seconds

Source: Qmee
An Age of Radical Transparency

- Employees, consumers, customers, bloggers, social media food communities, activists, NGOs and others can all directly influence the public conversation about biotechnology, agriculture and food at the speed of Twitter.

- The question is no longer, “will you be transparent?” but “how will you manage your reputation in an age of radical transparency?”
Times Have Changed

“It is not the strongest species that survive, nor the most intelligent, but the ones who are most responsive to change.”

- Charles Darwin
Creating Alignment

Character

Communication

Actions

Radical transparency demands authentic alignment

What you do and say defines who you are
Integrated Trust Model

- Internal Principle Driven
- Ethical Standards/Conduct
- Shared Values/Goals

Building Confidence Value Similarity
Integrated Trust Model

- **Internal Principle Driven**
  - Ethical Standards/Conduct
  - Shared Values/Goals

  *Building Confidence Value Similarity*

- **External Manifestation**
  - Best Practices
    - Certification
    - Continuing Education

  *Demonstrating Competence “Proving It”*

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Integrated Trust Model

- **Internal Principle Driven**
  - Ethical Standards/Conduct
    - Shared Values/Goals
  - Building Confidence Value Similarity

- **Identifying, Clarifying & Meeting Expectations**
  - Stakeholder Engagement
    - Influential Others
      - Customers
      - Policy Makers
      - Opinion Leaders
      - Media
      - NGOs
    - Engaging Influential Others

- **External Manifestation**
  - Best Practices
    - Certification
    - Continuing Education
  - Demonstrating Competence “Proving It”

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Building Trust in Today’s Food System

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