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– NEWS ALERT –

The Consumer Goods Forum and Capgemini Launch Significant Recommendations that have the Potential to Alter the Industry Landscape

Two megatrends, 'Digital World' and 'Fight for Resources,' are addressed as part of the Future Value Chain series

Paris, June 25, 2013 – A report published today by The Consumer Goods Forum (CGF), the global parity based network for the consumer goods industry, together with Capgemini calls for the consumer goods and retail industry to implement critical initiatives to safeguard the future and drive change across the industry. “*Future Value Chain 2022: Industry Initiatives Address Challenges of the Digital World and the Fight for Resources*” is the latest installment to be issued in the series and outlines a call to action to address the two megatrends identified: the challenge of today’s Digital World and the ongoing Fight for Resources.

The Future Value Chain program has been established over the past 7 years with a focus on extensive industry research and analysis. More than 200 executives from some of the leading consumer goods and retail organizations worked together¹ as part of the program to focus on how, through a set of collaborative initiatives, the industry can continue to bring benefits to consumers. This effort was triggered by the significant changes taking place in society, consumer behavior, the environment and technology.

“We identified the two key megatrends of ‘Digital World’ and ‘Fight for Resources’ as likely to have the greatest impact on the consumer goods and retail industry in the coming 5 to 20 years. Digitization is changing consumers’ lives and shopping behavior. At the same time, global demand for resources like food, water and energy is rising rapidly with the potential for demand to outstrip supply in the next decade,” said Thomas Storck, Member of the Management Board, Merchandising & Multi Channel Retailing Officer, Galeria Kaufhof (a subsidiary of Metro Group), and Co-Chair of The Consumer Goods Forum’s Emerging Trends Steering Committee. *“The industry must work together to develop concrete milestones to respond to these megatrends and build an action plan to move these from theory to reality.”*

“This is a historic moment. The thorough process across desk research, online surveys and crowdsourcing as well as a workshop has helped achieve a defined roadmap for us as an industry to follow and commit to deliver on the recommendations. This is an exciting time to be a consumer - they are in control. The next 10 years will mark a radical change in how products are sourced and purchased,” said Peter Florenz, Corporate Vice President & Global Head of Governmental Relations and Public Affairs, Henkel AG & Co KGaA and Co-Chair of The Consumer Goods Forum’s Emerging Trends Steering Committee.

The collaborative exercise with the consumer goods and retail executives led to the selection of three initiatives that address the Digital World and Fight for Resources megatrends and highlight the need for swift action:

- **Consumer Engagement Protocol:** This initiative is designed to address the changes being witnessed in consumer behavior. The potential power of user-generated and social media technology platforms to disrupt established institutions and the associated brand equity is undeniable. However, there are opportunities to connect directly with consumers as shoppers look for improved transparency in digital channels. At the same time, there is an inherent need to mitigate risks from privacy invasion. Increasingly, companies recognize the requirement to be proactive vs. being regulated in this area, but currently there is no voluntary global commitment concerning this in the consumer goods and retail industry. The project is focused on establishing guidelines for digital engagement with consumers.
- **Next-Generation Product Identification:** Today, in a world of rapidly expanding online commerce solutions, barcodes are unable to provide companies and consumers with the rich digital product information they seek. Consumer barcodes do not uniquely identify product or package variations that carry the same product identifier, meaning minor product variations cannot be accurately disclosed. This initiative focuses on connecting the dots to improve supply chain transparency, efficiency and traceability. The goal is to provide the industry and the consumer with accurate product information by using new technology capabilities for product identification to replace the current barcode.
- **Sustainable Packaging Coalition:** This potential initiative is designed to establish a coalition of companies to work together on non-competitive topics to improve the sustainability of packaging across the different value chain stages. The focus of potential activities will be around the three R's of packaging and packaging components: Redefine, Reduce and Reuse.

“The industry is at a critical tipping point and must ensure its future by implementing these initiatives to drive innovation. Success is hard to quantify but we must focus on collaboration and non-competitive improvements that will protect consumers and the vital components that will create one of the most innovative and forward-thinking sectors,” said Sabine Ritter, Executive Vice President, Strategy, Industry Initiatives, Strategic Alliances at The Consumer Goods Forum. *“Today we are also announcing that The Consumer Goods Forum’s Board of Directors has approved the action plans to move the proposed initiatives forward.”*

“The Future Value Chain program has underpinned our industry’s ethos in ensuring the consumer is at the heart of our thinking, every step of the way, no matter what region the purchase is being made in or where they fit into the wider ecosystem,” said Kees Jacobs, Principal Consultant in the Consumer Products and Retail Global Sector at Capgemini. *“The series of reports has been produced by the industry, for the industry.”*

To access the full report, please go to: www.capgemini.com/FutureValueChain

About the 2022 Future Value Chain report

Future Value Chain is a joint initiative of The Consumer Goods Forum and Capgemini. The Future Value Chain program is designed to provide the consumer goods industry with a comprehensive, connected and updated view of the critical trends that will impact companies over the coming decade; identify key areas where companies should collaborate in order to successfully manage the value chain; and identify, initiate and implement appropriate industry activities. More information is available at www.FutureValueChain.com.

About The Consumer Goods Forum

The Consumer Goods Forum (CGF) is a global, parity-based industry network, driven by its members. It brings together the CEOs and senior management of over 400 retailers, manufacturers, service providers and other stakeholders across 70 countries and reflects the diversity of the industry in geography, size, product category and format. Forum member companies have combined sales of EUR 2.5 trillion. Their retailer and manufacturer members directly employ nearly 10 million people with a further 90 million related jobs estimated along the value chain.

The Forum's vision is: "Better lives through better business." To fulfill this, its members have given the Forum a mandate to develop common positions on key strategic and operational issues affecting the consumer goods business, with a strong focus on non-competitive process improvements. The Forum's success is driven by the active participation of the key players in the sector, who together develop and lead the implementation of best practices along the value chain.

For more information: www.theconsumergoodsforum.com

About Capgemini

With more than 125,000 people in 44 countries, Capgemini is one of the world's foremost providers of consulting, technology and outsourcing services. The Group reported 2012 global revenues of EUR 10.3 billion. Together with its clients, Capgemini creates and delivers business and technology solutions that fit their needs and drive the results they want. A deeply multicultural organization, Capgemini has developed its own way of working, the Collaborative Business Experience™, and draws on Rightshore®, its worldwide delivery model.

Learn more about us at www.capgemini.com.

About Capgemini's Consumer Products & Retail Practice

Capgemini's global Consumer Products and Retail practice works with a majority of the world's largest retail and consumer products companies plus hundreds more. A team of more than 10,000 consultants and technologists throughout the world helps these clients reap the benefits of industry-specific solutions such as Demand-Driven Supply Chain, All-Channel Experience, Business Information Management and Global ERP Integration.

For more information: www.capgemini.com/consumer-products-retail

ⁱ The executives worked in unison with The Consumer Goods Forum, Capgemini and the consultancy firm Roland Berger to engage in multiple forums and research exercises to outline 20 trend clusters comprising a total of 85 sub-trends and drilling down on the resulting megatrends and initiatives to implement across the industry. The group deployed an exhaustive process that consisted of desk research, an online survey, a crowdsourcing exercise and a facilitated workshop.