The Consumer Goods FORUM
The Global Network Serving Shopper & Consumer Needs

END-TO-END VALUE CHAIN & STANDARDS
& GLOBAL FOOD SAFETY INITIATIVE
# TRANSPARENCY & TRACEABILITY

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WHAT IS TRACEABILITY & TRANSPARENCY?

It's about interoperability, information and developing effective crisis management systems globally.

While the consumer goods industry's current systems help us respond to product crises, we acknowledge there is room for improvement when it comes to addressing the imperatives of building consumer trust and complying with fast-paced legislation.

This project aims at providing better transparency of product information to consumers (like that being delivered through SmartLabel™) and efficient traceability of products within the supply chain to help businesses be more efficient and responsive.

WHY IS THIS IMPORTANT?

We need to act to secure consumer trust and get ahead of inefficient and costly legislative changes.

We need to act for three reasons: 1) consumers' increasing need for transparency, 2) developments in legislation, and 3) outmoded industry supply chain transparency and traceability systems.

Consumers' trust is key. Research suggests that consumers want to know more in general about what is in the products that they buy (eg ingredients, safety) and where they come from (origin, social and environmental impacts). Almost any product attribute can become critical for consumer trust if given sufficient attention in the social and mass media; as evidenced by the horsemeat, Rana Plaza and Thai shrimp scandals. If we can provide this information to consumers, when and how they want it, retailers and manufacturers will be:

- Better able to build consumer trust and thus drive industry growth.

- Less likely to suffer reputational damage when issues arise, especially in sensitive supply chains such as meat, fruit & veg, products sold to children, etc.

- Able to reduce customer enquiry costs and deliver a quicker response to customer questions.

- Get ahead of the curve by overcoming challenges before governments get involved with new legislations that generally prove more costly and less efficient for the industry.

WHAT IS THE CGF's ROLE?

Help the industry overcome this complicated challenge, which no one company can solve themselves.

Improving transparency and traceability in the

industry's supply chains is a challenging but essential priority for the entire industry.

We identified two potential barriers to implementation:

Technical Barriers

The main technical barrier to this vision is the fact that the different information and traceability systems used by today's value chain participants are not interoperable.

To assess this barrier, we set up the Technology Advisory Council that brings together the leaders of the industry's more innovative solution providers. They have collaborated to build a basic Applications Programming Interface (API). The API demonstrates that different systems can be made to be interoperable. We plan to build on this demonstration and accelerate a move towards open systems.

Business Process Barriers

These barriers are much more fundamental than the technical barriers. The CGF can help to address them by providing global leadership and effective collaboration across the industry.

WHAT WILL THIS PROJECT ACHIEVE?

This project will enable industry to provide the full omnichannel experience to consumers.

Aside from addressing the three challenges noted earlier – consumer trust, legislation and interoperability – this project will deliver tangible transparency and traceability solutions. The following is a high-level specification of what an industry

solution would do:

- Deliver end-to-end transparency of product and supply chain data, with data gaps identified;

- Provide data that is independently authenticated;

- Be interrogated with a wide range of possible questions on products and their supply chains;

- Provide answers to these questions at the SKU level, batch level and potentially item level; and

- Provide data that is instantly available and regularly updated.
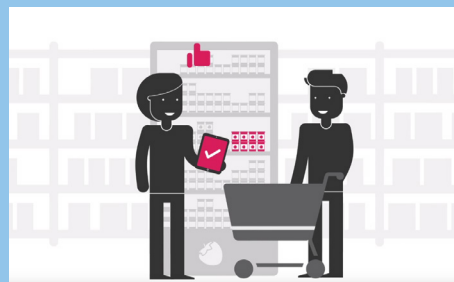
WHERE TO GO FOR MORE INFORMATION?

Further information on Traceability & Transparency can be found at www.theconsumergoodsforum.com and www.mygfsi.com.

For those interested in learning about the CGF's role, and for those who want to join the project, contact Ruediger Hagedorn at the CGF: r.hagedorn@theconsumergoodsforum.com.

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