



GLOBAL
SUMMIT

KYOTO
2023

Executive Summary

6th-9th
JUNE 2023

KYOTO
JAPAN

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Introduction

Over 1,000 CEOs and executives from the world's leading companies convened in Kyoto this June for the Consumer Goods Forum's Global Summit, our annual membership gathering to set priorities and move forward as one. The 64th edition of the event, taking place at the historic venue where the Kyoto Protocol was signed in 1997, came at an especially crucial moment.

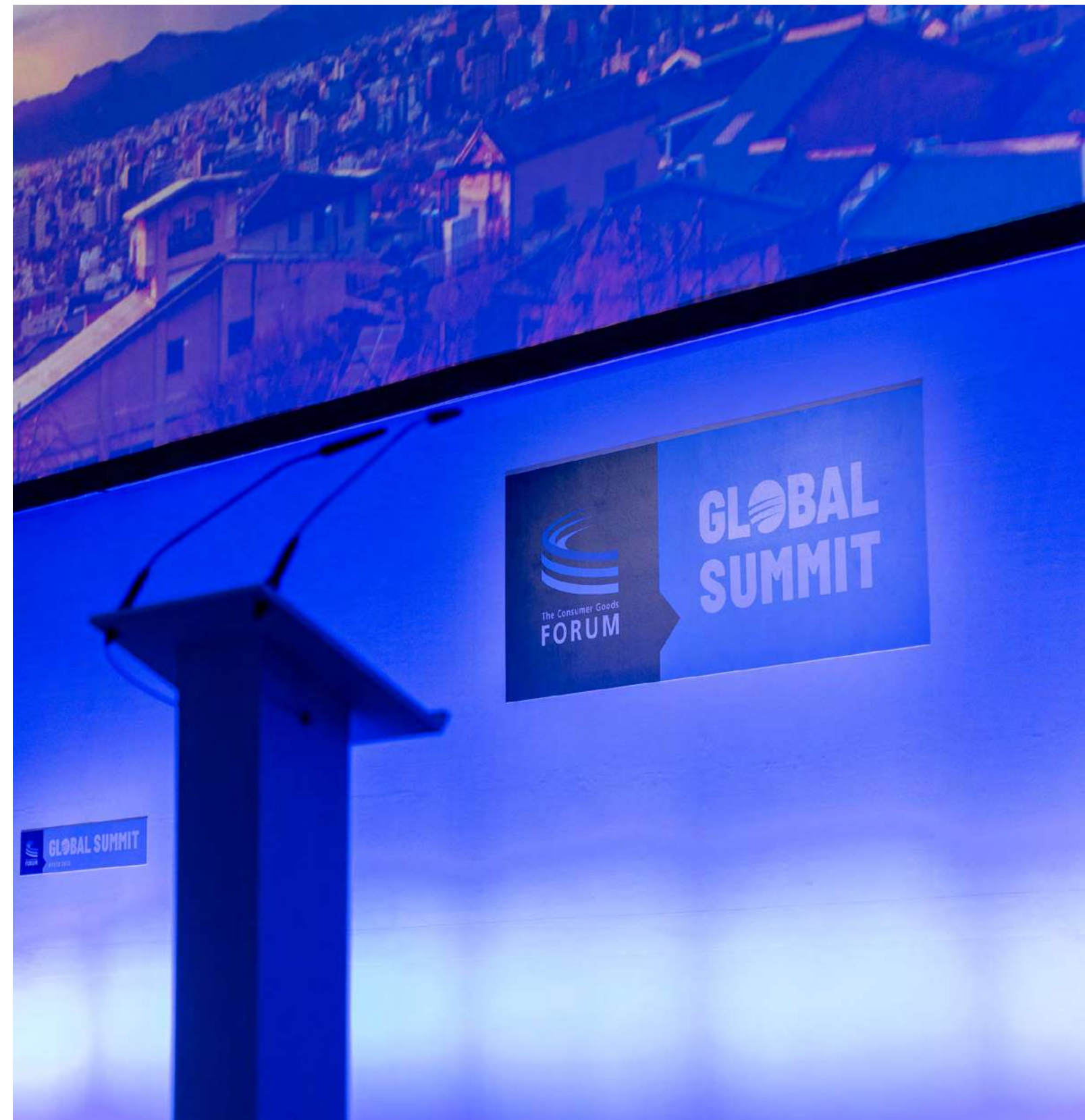
As climate change, political conflicts and other disruptions continue to disrupt the supply chain, companies must ensure that consumers retain access to the goods that support and improve their lives. While the scale of the challenges we face is unprecedented, they are also shared – so approaches to tackling them must also be collaborative. This imperative was reflected in the edition's theme: **Pursuit of Harmony in Turmoil: Working Together to Make a Difference.**

The 2023 programme was built around four key pillars of global retailing and manufacturing: **Business Growth in Global Crisis, Accelerating Tech & Innovation, People & Retail, and Business Progress in Sustainability.** Over the course of two days of focused conversation

on these topics — including presentations by industry leaders, respected academics, a superstar actor and a 16-year-old C-suite executive — a few common threads emerged.

Speakers frequently returned to the importance of collaboration among businesses and across sectors on pre-competitive issues such as decarbonisation and the circular economy. They also emphasised the role of the digital transformation in supporting these goals, as well as improving supply chain resilience and efficiency. Excitement gathered around emerging aspects of the digital landscape, such as retail media networks and generative AI. All discussions led to the conclusion that the decisions made by industry leaders have significant impact on the future of people and the planet.

"What better country to find inspiration from than Japan, because harmony is the very essence of the culture here, collaboration one of its core values," said CGF Managing Director Wai-Chan Chan in his opening address, noting the significance of the venue to the CGF's climate agenda. "So it's fantastic that we're all here."



Ambition 2025

Accelerating Positive Impact, Driving Focused Actions Faster Together

The new co-chairs articulated their ambition for the next two years: accelerating positive impact – driving focused actions faster together.

Whilst we have made a solid start with our coalitions, the CGF and its members still need to do more and to create more systemic change. This can only be done if we mobilise a wider membership base whilst at the same time, recognise that companies are at various stages of their sustainability journey. Also, the context in which companies operate in is changing, and the climate topic is becoming more and more critical and leading.

With such a context in mind, the co-chairs described a refined strategy for the future. We would still push ahead with our coalitions, all of which are very relevant. However, given the evolving context, we would add a ninth coalition directly related to climate and decarbonisation, and its exact scope will need to be determined. To try and address the issue of more systemic change, they proposed five focus areas that they encouraged all of our members to pursue – and each whilst related to a coalition, only represents one part of the coalition activities and agenda thereby making it easier for companies earlier in their sustainability journeys to participate. Specifically, the focus areas are:



In plastic waste: to drive the implementation of the golden design rules that the coalition has articulated to ensure better plastics circularity.

In collaboration for healthier lives: to address the topic of employee health and well being with clear plans.

In human rights: to implement robust human rights due diligence systems.

In forest positive: to deploy a deforestation and conversion free supplier approach.

In the newly formed climate/ decarbonisation area, we will need to determine what the exact focus will be.

To enable this strategy to work, we would ensure that we connect, collaborate and communicate better, leveraging technology, new ways of working and the extensive repository of knowledge that the CGF and its members has accumulated over time.

We would be coming back to the membership shortly with how we would execute this strategy.

Selected Quotes



Excellency Ms. Razan AI MUBARAK
High-Level Champion of the UAE

“The global leaders here can spearhead systematic change. The implications of your goods, your products, your services, from production to disposal, significantly affect our transition to the next era of society.”



Fumio KISHIDA
Prime Minister of Japan

“We need a frank exchange of views between governments and the business community. Your mission of “better lives through better business” expresses universal values.”



Akimasa YAMASHITA
Vice-Governor, Kyoto Prefecture

“We have to put service to society before profit. If you focus on service to society, profit will come naturally as a product of doing honest business.”



Midori WATABE
Chief Future Officer, Euglena Co.

“I would like to prove that you don’t have to be in any kind of age group to try to lead a life that’s filled with well-being and focused on sustainability.”



Ayla ZIZ
Senior Vice President Global Sales,
Chief Customer Officer, Danone

“Performance without sustainability has no future, and sustainability without performance has no impact.”



Frans MULLER
President & CEO, Ahold Delhaize

“We need to get more systemic, collaborative, and adopt a multi-stakeholder approach, because that’s the only way to solve a rather complex dilemma.”



Nathalie ROOS
Chief Executive Officer, LIPTON Teas and Infusions

“Trust is business, and it’s not a one-company job. By collaborating, sharing best practices and combining our strengths, we will build a better world together, one cup of tea at a time.”



Matilda HO
Founder and Managing Director, Bits x Bites

“Fundamentally, we need to all together accelerate that paradigm shift of consumer behaviour and empower them to consume healthier products.”



Rebecca MARMOT
Chief Sustainability Officer, Unilever

“I don’t see sustainability as something on the side anymore. It’s 100% mainstream as a business strategy.”

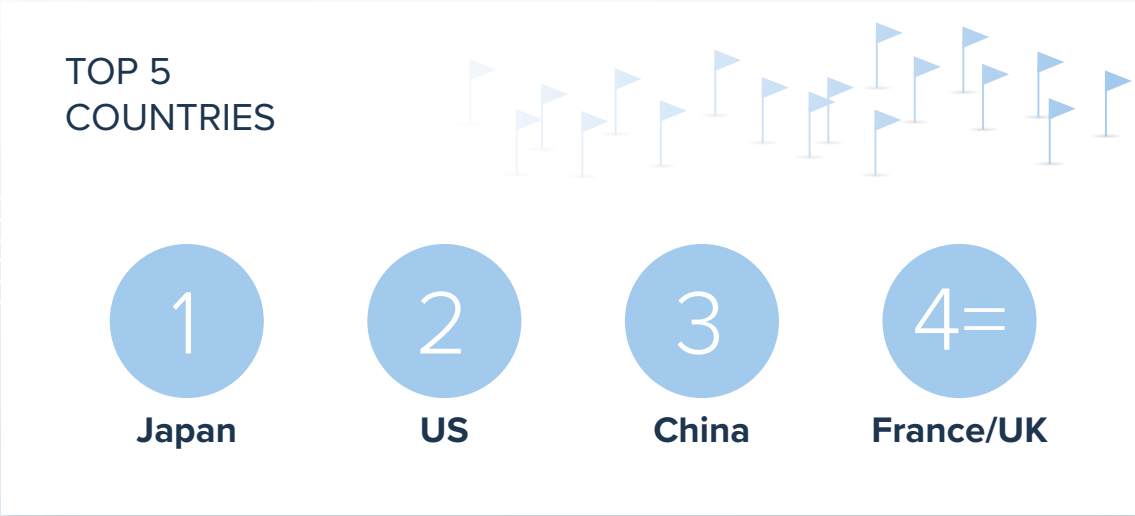


Dirk VAN DE PUT
Chairman & CEO, Mondelez International

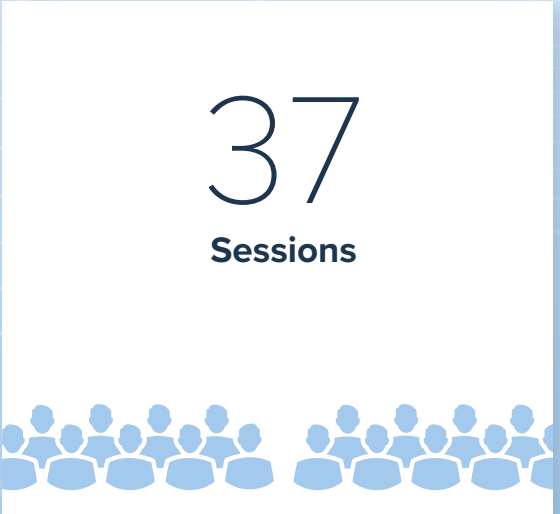
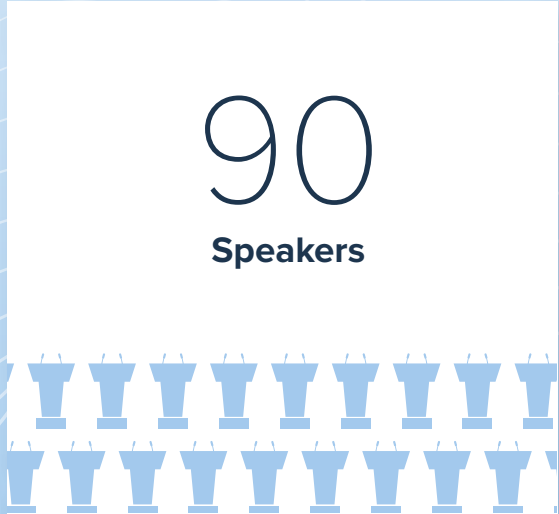
“At the highest level, what we want to achieve in the next two years is really three big things: Accelerate. Focus. Collaborate.”


In numbers

ATTENDANCE



CONTENT





Day 1 | 7th June

Day 1

Plenary Sessions

Opening and Greetings from Japan Officials

The global significance of the summit was apparent from its first moments, beginning with a video greeting from **Japan Prime Minister Fumio Kishida**.

Kishida compared the Global Summit to the G7 Summit between leaders of the Group of Seven countries, which he chaired in Hiroshima the previous month. He suggested that the CGF's role as a bridge between the public and private sectors is as important as this intergovernmental forum. "We need a frank exchange of views between government and the business community," he said in Japanese, inviting the delegates to take part in the culture of harmony that is exemplified in Kyoto.

Takatoshi Nishiwaki, governor of Kyoto Prefecture, then joined in person to expand on Kyoto's role as a centre of harmony and tradition. He said that Kyoto has long been home to technological innovation in consumer goods, exemplified by the traditional arts of ceramics, screen-printing and sake brewing. Several of Kyoto's consumer goods businesses are more than 1,000 years old, including confectioner Ichimonjiya Wasuke and paper company Genda Shigyō. On the other hand, the region is also a hotbed of innovation and home to Kansai Science City, an area dedicated to science and research.

"I hope that your summit in Kyoto will help support sustainable business and build well-being and harmony," Nishiwaki said in Japanese, before wishing the delegates health and prosperity.

Key Takeaways

- 1 The Global Summit serves an indispensable role as a forum between government and business.
- 2 Japan, and Kyoto in particular, can inspire global industry with a unique combination of tradition and innovation.





Consumer Behaviour Business Models: The Latest Trends

“The thesis of the whole picture here is, we fundamentally believe that the false trade-off of choice is behind us,” said **Sajal Kohli, senior partner at McKinsey & Company**, explaining that consumers are both “trading down” — buying cheaper options, such as store brands — and “selectively splurging” on items that are important to them. “The world of ‘I’ll do this, or I’ll do that’ is behind us. You’ve got to do it all,” he said.

A panel of CEOs then discussed McKinsey’s findings around trading down and selective splurging within the context of their own companies. **Ian McLeod, group chief executive of Dairy Farm International Retail Group**, agreed that demand still exists for premium products, though “consumers are becoming much more discerning.” Some consumers are also willing to pay a premium for sustainable products, but companies are responsible for making sustainable options more affordable for all consumers, he added.

Jérôme Chouchan, CEO of Godiva Japan, South Korea, Australia/New Zealand and Manufacture Belge de Chocolats, brought a perspective from a brand that holds a premium position in many markets. “The consumer looks for experience, not only savings,” he said; even when shopping for value, consumers desire premium experiences. Godiva capitalised on this desire by partnering with McDonald’s in Japan to develop a line of chocolate beverages. “Even with inflation, with the power of the brands, there is a trade-up opportunity,” he said.

Thibaut Mongon, CEO of Kenvue — the largest consumer health company in the world — said that the health sector is unique in that “even when times are tough, and probably even more when times are tough ... you cannot make a mistake and go with suboptimal solutions. You go with trusted brands.” His company therefore focuses on building trust through product experiences and recommendations, including from digital influencers.

Solitaire Townsend, chief solutionist and co-founder of Futerra, continued the digital influencer thread with learnings from a recent meeting she had with 50 young micro-celebrities who together have a daily reach of 1 billion. “People interact with their social media influencers as if they were friends and families, which means that recommendation becomes incredibly important,” she said. She added that the youngest consumers have high rates of social anxiety, which means that future retail environments should be designed to provide a frictionless and enjoyable experience.

“But we talk about these trends as if we’re subject to them rather than being part of them,” she reminded panellists. “Rather than feeling that these trends are affecting us, we can grab them and actually attempt to change the marketplaces that we work in, particularly when it comes to consumer behaviours.”

Key Takeaways

- 1 Consumers are still looking for premium experiences, but these experiences should be provided within a value-focused context.
- 2 Digital influencers can help brands build trust and shape consumer behaviour.
- 3 To draw in young consumers with high rates of social anxiety, retail environments should be designed to reduce friction and prioritise experiences.



Seeing the Future of Shopping Through a Global Lens

In a one-on-one chat with CGF Managing Director Wai-Chan Chan, **Walmart International President and CEO Judith McKenna** offered a birds-eye view of the global retail landscape and how it is shifting in key markets.

“China, for us, is really the leading example of where omnichannel is coming to life,” said McKenna, pointing to a dramatic increase in e-commerce penetration compared to before the pandemic. McKenna also expressed her fascination with the Indian market, especially the rapid adoption of digital payments, and with Mexico, where Walmart operates its largest division outside the U.S.

McKenna then offered advice for other companies interested in doing business in these disparate markets. One key is choosing the right talent and moving them to the right locations, because insights from local markets can prove useful in global operations. For example, team members from Argentina and Brazil, which have long struggled with inflation, are helping lead Walmart stores in Mexico and Canada through the current inflationary period.

Innovation is another key to running a global business. “The great thing about innovation is it’s not just technological,” she said; agile sourcing and emissions reduction also require an innovative approach. Walmart is investing in global innovation through acquisitions such as Flipkart, the India-based e-commerce company, as well as ramping up automation and other technological tools.

“On the question of whether you should be global or should you be local; the answer is yes,” she said, adding that retailers’ goal should always be “to have great products that people want to use.”

Key Takeaways

- 1 India and other developing markets are hotbeds for innovation, especially around digital payments and e-commerce.
- 2 Running a global business requires identifying and mobilising exemplary local talent.
- 3 Innovation in retail requires both technology and an innovative approach to all pursuits.



Fireside Chat: Building Trust and Mutual Value in the Consumer Goods Industry

As **CEO of Lipton Teas and Infusions, Nathalie Roos** leads the world's largest company focused on the world's second-favourite beverage (after water). In a fireside chat with journalist and avid tea drinker Isabelle Kumar, Roos mused on the roots of trust and the responsibility involved in running a globally consequential business.

Roos began her presentation with a focus on Japan, home to a deep-rooted tea culture and the oldest

tea company in the world, 863-year-old Tsuen Tea in Kyoto. Japanese businesses' unparalleled resilience will soon be tested by a new challenge: the demographic shift as population contracts and average age increases. Similar shifts will affect businesses in many markets, with the exception of Africa — the source of more than half of Lipton's tea.

"Our future in high-GDP countries depends on our ability to strike the balance with countries that are still

growing and developing," Roos said. The key to that balance, she posited, is trust.

She listed four pillars to building trust across the global market: congruence, transparency, vision and creating value for all. Congruence refers to a company's claims matching its actions; transparency includes both sharing these actions and clarifying customers' data use; and vision involves clear goals and concrete pathways towards them, such as regenerative agriculture to mitigate climate change.

Value, Roos said, should go not only to the company and its consumers but to all players along the supply chain. In Lipton's case, "As the world's largest buyer of tea, giving back to the communities where we source our tea is essential," she said. The company is seeking B-Corp certification to support and demonstrate this mission.

"Trust is business, and it's not a one-company job," she concluded. "By collaborating, sharing best practices and combining our strengths, we will build a better world together, one cup of tea at a time."

Key Takeaways

- 1 The four pillars of trust are congruence, transparency, vision and creating value for all.
- 2 As the population in high-GDP countries shrinks in comparison to low-GDP countries, economic and social stability will depend on trust and shared value creation across markets.
- 3 Companies have the responsibility to create value and deliver solutions in markets where they do business, especially in developing markets.



A Warm Welcome from the CGF's Managing Director and Co-Chairs

The CGF Board of Directors' outgoing co-chairs, **Chairman and CEO James Quincey of The Coca-Cola Company** and **Chairman and CEO Daniel Zhang of the Alibaba Group**, shared the stage with incoming co-chairs **Chairman and CEO Dirk Van de Put of Mondelēz International** and **President and CEO Frans Muller of Ahold Delhaize** in this session moderated by CGF Managing Director Wai-Chan Chan.

After welcoming the delegates to Kyoto and drumming up some appreciation for the grand setting, Chan asked the outgoing co-chairs to look back on their achievements and offer advice to their successors. Quincey said that the Coalitions of Action, introduced around the time he and Zhang took the helm, helped the organisation focus its efforts on key issues. "Now we need some KPIs to help shape some of the Coalitions," he said. "Some are going faster than others, but the metrics are there."

Zhang applauded the Coalitions' specific successes, including the Plastic Waste Coalition of Action achieving implementation planning of golden design rules among 97% of its members. He also applauded the success of the Race to Zero task force. "We have a lot of examples, but the key thing is we want to increase our impact as CGF members," he said. "We can do a lot more to increase our impact."

Incoming co-chair Muller said that greater collaboration both among members and with non-members could help increase impact. To that end, the CGF has identified five initiatives drawn from the Coalitions that can benefit from broader participation. "The CGF is an organisation that can support the total global industry and have a positive impact, and I think the world needs this," he said.

His fellow co-chair Van de Put agreed that greater participation is necessary and admitted that "we need to break the silos of the different Coalitions." Goals such as decarbonisation are shared across Coalitions, so they should be able to collaborate more effectively towards these goals.

"We need to present to each other our success stories. This is pre-competitive," Van de Put said. "We think that it's all about accelerating positive impact on people and planet by driving more focused actions faster, together."

Key Takeaways

- 1 Clear KPIs and data will help the CGF's Coalitions of Action meet goals and measure impact.
- 2 Part of the CGF agenda is to increase collaboration across the Coalitions of Action, especially towards decarbonisation.
- 3 The five initiatives drawn from the coalitions should provide an opportunity for broader participation in making an impact.

The World is Changing, Consumers are Changing — We Need to Change Too

After the incoming CGF Board of Directors co-chairs took the stage, two other CEOs joined them for a panel discussion on the CGF agenda and how it is evolving to meet consumer needs and a world in flux.

Malina Ngai, CEO and group chief operating officer of A.S. Watson Group and a member of the CGF Board, opened the conversation on an optimistic note. “I believe that as manufacturers or retailers, we can create this kind of impact together,” she said. “It’s about giving customers the right choice.” A.S. Watson, for example, has ramped up its refill programme to help consumers reduce plastic waste. She illustrated customer-company collaboration through the Chinese characters for

the word business, or shengyi, which are made up of components that mean vitality, determination, daily and heart. “When we need to drive change, we can’t do it half-heartedly,” she said.

Cécile Beliot-Zind, CEO of Bel Group, brought a perspective rooted in her company’s century-plus of cooperation with small farmers around the world. “We know that if emerging countries adopt the same diet as the G20 countries today, we will be beyond the trajectory of the Paris Agreement by 260%,” she said, adding that this adoption would also increase obesity without decreasing malnutrition. She argued that educating consumers about their

Key Takeaways

- 1 Companies with sustainability goals must get buy-in across their supply chains through investment and partnership.
- 2 Consumers will only make healthy, sustainable choices in relevant numbers if those choices also give them the value and experience they are looking for.
- 3 Data-rich 2D product labels can help track and promote companies’ sustainability and health priorities.

options is only a halfway solution to these issues. Rather, companies should provide “fantastic, tasty, playful, joyful” products that are also healthy and sustainable.

In France, Bel Group has committed to paying dairy farmers a higher set price for milk in return for farmers’ commitment to regenerative agriculture practices, an example of backing up sustainability goals with investment. “When you don’t know how you will feed your family at the end of the night, anybody can talk about the end of the planet,” she said.

Dirk Van de Put, Chairman and CEO of Mondelēz International, tied Beliot-Zind and Ngai’s comments to CGF Coalitions, including the Collaboration for Healthier Lives and the Global Food Safety Initiative. He also said that the shift from UPC bar codes to data-rich 2D smart codes, a priority of the Coalition of Action for Product Data, will help track and promote companies’ sustainability and health goals.

“When I hear in this room how much passion and energy is here, then I think we in this industry can be very optimistic,” said **Frans Muller, president and CEO of Ahold Delhaize** as the conversation wound down. “We all have a leadership role here to play in this very complex field.”



Generative AI: What is the Business Case for the Industry?

In the months leading up to the Global Summit, ChatGPT and other generative artificial intelligence programmes gripped the tech news cycle and the imaginations of users around the world. **President Miki Tsusaka of Microsoft Japan joined CEOs and CGF board members James Quincey of The Coca-Cola Company and John Ross of IGA, Inc.** to consider this emerging technology and its applications for business.

Quincey and Ross both admitted that their interactions with generative AI up to that point amounted to “playing.” Ross said that he considered using ChatGPT to write emails and conference presentations; Quincey asked it to write a joke for the plenary. (What would ChatGPT buy at a supermarket? A byte of everything and a Coke Zero and Ones.) But they both agreed that its potential is massive, especially for interpreting data.

“Retailers are poster children for Big Data. We are awash in it. We generate it with every transaction,” said Ross. With AI, “The people with the cultural wisdom within the store can begin to interact with that data and get answers in a language that they understand.”

Quincey agreed but warned that this technology may reduce the value of data scientists and other knowledge workers. “In the end, economics matter. If knowledge becomes cheaper, knowledge workers become cheaper,” he said. He also predicted that generative AI would be used to create advertisements within two years, “which is going to radically change the industry” — as long as it doesn’t lead to oversaturation and irrelevance.

Tsusaka cautioned against fear-mongering and bombastic claims, pointing out that the technology is based on mathematics, not magic. “I believe that there’s more good out of generative AI than not,” she said. “I believe that the transparency, the accountability, the security, privacy; all of that needs to be part of the conversation before we make judgement calls about whether it’s good or bad.”

Key Takeaways

- 1 Possible business applications for generative AI include data interpretation and digital advertising.
- 2 AI may make knowledge work cheaper, which could restructure pay scales and the job market.
- 3 Responsible AI should take into account transparency, accountability, security and privacy.



Day 1

Impact Sessions

People-Centred Partnership Between Companies and Cities

The greying of Japanese society is most visible in small cities and rural areas, in part because these areas have fewer job opportunities and less connectivity. **Prime Minister Fumio Kishida's Vision for a Digital Garden City Nation** aims to transform these areas through digital infrastructure and private-sector investment that puts people first. **Kyoko Nishi, cabinet secretariat of the Government of Japan**, moderated the panel and introduced the first stage of the initiative: a contest for innovators developing digital solutions to rural issues.

She was joined by a judge from the contest: **Mayu Shono, founder and representative director of Hapikira Factory**, a company she started in college to develop products and sales channels for regional artisans. While she was impressed by the level of involvement in rural governments, she said that they

could only achieve their goals through public-private partnerships. "The power and resources of companies are huge. They have the power to carry something through once they are engaged with a community," she said. "If this virtuous cycle could be reproduced, Japan as a whole will be able to energise itself."

Dr. Hiroshi Nakase, Professor and Chair of the Sapporo Medical University School of Medicine, argued for the importance of telemedicine in the digital transformation, while Mayu Urata, Associate Professor of Nagoya University, added that academia is also an important collaborator on public-private partnership. Her university, for example, helped support an effort to study foot traffic in shopping arcades through AI-enabled cameras. "By connecting with data digitally, we are able to have an effective partnership with rural communities," she said.



Key Takeaways

- 1 In countries experiencing population decline, including Japan and much of Europe, the impacts are most drastic in rural areas and small cities.
- 2 Digital infrastructure and private-sector investment can help improve quality of life and prevent population drain in rural areas.
- 3 Collaboration among local and national governments, academia, and the private sector are key to facilitating rural digital transformations.



Food Value Chain, Global Dissemination of Japanese Food Culture and the Role and Potential of DX: Japan Executives Panel



From high-end omakase sushi to Pocky and instant ramen, Japanese food culture has risen to worldwide dominance over the past few decades. This Japanese-language panel considered the role of the digital transformation — and especially the chief digital officer — in facilitating and preserving this global dissemination.

The session was led by Jun Kamo and Akira Mizukami, respectively the **CEO & founder and director & secretary general of the CDO Club**, a global community for C-suite digital, data and analytics leaders. They defined the digital transformation, or DX, as “an initiative to transform society as a whole.” Within the food industry, that initiative includes reducing food waste and food-borne disease, addressing the labour shortage, and helping the ageing population maintain quality of life.

CDOs and other digital executives in the food industry have the opportunity and responsibility to tackle these issues, they said.

They were joined by two CDOs from prominent Japanese companies, **Toshikazu Nambu of Sumitomo Corporation** and **Masaya Higuchi of Beisia Group** (both alumni of nearby Kyoto University). They suggested that Japanese companies like their own are well positioned to create solutions to food issues that enjoy both impact and popularity — just as Momofuku Ando invented instant ramen to address food shortages after World War II and created a global phenomenon. They suggested that digital transformation can help both develop these solutions and disseminate them around the world.

Key Takeaways

- 1 Thanks in part to the worldwide popularity of Japanese cuisine, Japan is well positioned to create solutions to food system issues that have global impact.
- 2 Chief digital officers of consumer goods companies have the power and responsibility to help their companies address global issues.
- 3 To replicate the success of Japanese food culture, other food companies should learn from Japan's early adoption of the digital transformation.



The Next Phase of Circularity in Product Packaging

The CGF's Coalition for Action on Plastic Waste is committed to building a circular economy for packaging that leads to the elimination of plastic waste on land and in the sea. This session, moderated by the CGF's outgoing **Environmental Sustainability Director Ignacio Gavilan**, took stock of that mission and how companies around the world are working towards it.

David Clark, vice president of sustainability at Amcor, brought a plastic manufacturer's perspective to the conversation. He said plastic is an important part of the global economy that is often necessary to maintain product integrity and consumer health, but "we have to eliminate as much as possible." To that end, Amcor is converting all its products to recyclable designs.

Dave Muenz, director and managing executive officer of the SVP ESG division at Kao Corporation, noted that recycling is only one part of the circularity equation. He applauded Japan for its high adoption of reuse and refill systems. "The key has been to make this a comfortable choice for consumers," he said. "The experience has to be just as convenient."

Bertrand Swiderski, chief sustainability officer at Carrefour, said that consumers in many markets are already demanding circular options, even if conventional alternatives seem more convenient. Sales are higher for clothing and produce that doesn't come wrapped in plastic film, for example; consumers prefer to be able to see and touch many products. "We have to involve the consumer in redesigning packaging," he said.

Key Takeaways

- 1 Recyclable designs, reuse options and refill systems are all important parts of the circular economy.
- 2 Even without a sustainability angle, consumers often prefer products with less plastic, such as food in cardboard packages.
- 3 Companies should develop circular systems ahead of the forthcoming global plastics treaty to prevent disruptions.





Future Proofing Innovations That Improve Sustainability, Compliance & Performance

The CGF's Coalition of Action on Product Data has a vision for an industry in which partners have access to real-time, accurate and independently assured product data down to item level on the end-to-end value chain. This session, moderated by **Rudy Hagedorn, director of E2E value chain & standards at the CGF**, brought together the leaders of two impact-driven startups developing solutions that can facilitate this vision and help safeguard products, people and the planet.

Marjan de Bock-Smit, co-CEO of ImpactBuying bv, founded her company in 2009 after decades leading innovation in the consumer goods industry. ImpactBuying supports leading European retailers and brands with supply chain due diligence and verified ESG supply chain data. A certified B Corporation, the company also runs the social initiative True-code.org, which helps small farmers in the first mile of supply chains provide trusted data. "Farmers sometimes don't have enough money to feed their families," she said, so they can't be expected to invest in data technology. "Across the supply chain, we need to help solve this."

Bram van Schijndel Tromp, founder & CEO of Pure Value Europe NV, is equally concerned with creating a transparent E2E value chain that accelerates sustainability. One of his company's innovations, the Proteus Smart Display, has saved 1 billion kilogrammes of cardboard through its reusable metal display system, which can also incorporate technology to monitor consumer behaviour and stock levels. He reminded the audience that technological solutions can often further sustainability agendas and vice versa.

Key Takeaways

- 1** Standardised data can help stakeholders across the value chain.
- 2** Companies must invest in their small-holder farmers and other suppliers if they want to collect reliable data in the first mile of the value chain.
- 3** Reliable, transparent data is critical to meeting sustainability goals.

Special Sessions

Day 1



Everything Everywhere All at Once

As the lines between media channels and sales channels begin to blur, the modern retail landscape is moving beyond omnichannel. In this sponsored session, leaders from Nestlé and its digital commerce partner Capgemini introduced new channel-less commerce models that allow brands to meet consumers wherever their digital lives take them.

From Capgemini, **Owen McCabe, VP Digital Commerce** and **Tim Bridges, Global Head of Consumer Products & Retail**, introduced the channel-less model, which leverages data insights in order to anticipate consumer demands and provide a seamless experience. “We believe that channel-less will be just as disruptive to the consumer goods industry as the video-on-demand revolution was to TV,” McCabe said.

From Nestlé, **Neel Arora and Jordi Bosch — global heads of sales & customers and eCommerce**, respectively — presented a few case studies on the channel-less approach at the company’s brands, including the digital content network associated with the Purina pet food brand and a recipe platform developed with the Colombia-based grocery delivery service Rappi. These projects required company-wide buy-in. “A change in an organisation the size of Nestlé cannot be driven by one person or one team,” Arora said. “Even the chief digital officer with a board level mandate means to get the whole organisation on board.”

Key Takeaways

- 1 Data and technology are creating an increasingly channel-less world.
- 2 Investment in the channel-less model requires buy-in across the entire organisation, not only the chief digital officer.
- 3 Channel-less commerce can have a major impact on customer loyalty and lifetime value.





Key Takeaways

- 1 Physical retail can generate data that makes the store an indispensable part of the digital landscape.
- 2 IoT tools make it easier to stock shelves, manage inventory, understand customer behaviour and train staff.
- 3 The data that physical stores generate should be available to the teams in the organisation who can make the best use of them.

vusion
sesimagotag

Retail-CPG Collaboration: The IoT & Data Revolution

While many of the Global Summit's retail-focused conversations emphasised innovation in e-commerce and other online channels, this session demonstrated that digital technology can be equally transformative in physical retail. Speakers encouraged delegates to see the physical store as a digital asset and an indispensable part of the data ecosystem.

Chairman & CEO Thierry Gadou and EVP Jérôme Hamrit from SES-imagotag, a specialist in electronic shelf labelling systems, opened the conversation with an introduction to some of the technology currently available to physical retail, including video monitoring for shelves, AI stock level checks and Bluetooth tools for shopper engagement. The goals of these innova-

tions are "all about operational excellence and shopper engagement," said Hamrit, pointing to increased sales, decreased costs and boosts in campaign effectiveness.

They were joined by **Rhiannon Thomas, senior partner & global lead for consumer goods and retail at Kearney**, and **Mark Ibbotson, former EVP of central operations at Walmart**, for some insights into the on-the-ground performance of digital retail tools. Thomas said that these tools generate useful data, but that data isn't always available to the people who can make the best use of it. "It's not just about selling data; it's about getting new, better and real-time data and processing it better," she said.

BAIN & COMPANY 

Future Consumer Economies

This session pulled delegates a dozen years into the future to consider what the consumer goods landscape will look like in 2035. The speakers, both leaders from Bain & Company, predicted that global macro-forces, consumer expectations and emerging technology will converge to have a significant impact on the way people live, work, socialise and care for each other.

Joëlle de Montgolfier, executive vice-president of global consumer products, retail and luxury practices and **Leah Johns, director of consumer products practice** began by listing trends that are impacting consumption habits, including digital nomadism, 15-minute cities, an increase in single-person households compared to nuclear families, and an ageing population. They also

outlined some shifts in young people's desires, who increasingly shop based on "eco-anxiety," seek budget travel options, and want to be vloggers and digital influencers above other careers. The latter desire allows brands to "incorporate consumers at every stage of the value chain, from manufacturing to marketing," Johns suggested.

Companies can prepare for young people becoming the dominant market by investing in technology that appeals to them, such as electric vehicles (including aeroplanes), immersive virtual reality experiences and personalised health care. Through collaboration with consumers, brands can help create a more sustainable, democratic world.



Key Takeaways

- 1 Rather than reacting to disruptions and changes in consumer behaviour, companies should proactively monitor trends and prepare for future consumers' desires.
- 2 As the population in developed countries ages, companies should prepare to provide products both for elder consumers and for young consumers with dramatically different desires and expectations.
- 3 Augmented and virtual reality will become more prevalent in the near future, but physical experiences such as travel will remain in high demand.

I-Talks

Day 1


accenture

Total Enterprise Reinvention powered by Web3, Immersive Experiences & AI

“Long live the metaverse,” declared **Maria Mazzone, Managing Director of Accenture** and a longtime champion of metaverse technology. Though she admitted that some experiments and investment around immersive virtual reality experiences have shifted over the past year, she argued that there are still a wealth of opportunities around other aspects of the metaverse, including Web3 technology and artificial intelligence. Adoption continues to increase among users and companies, which are using metaverse platforms for applications as diverse as designing workflows and connecting with consumers. “We have moved past omnichannel. We have now moved to omni-reality,” Mazzone said. “Brands need to meet consumers in every reality where they choose to operate.”



Key Takeaways

- 1 Despite shifts in investment, opportunities still abound in the metaverse.
- 2 Applications for the metaverse include workflow development, training and consumer outreach.
- 3 Brands need to meet consumers in every reality where they choose to operate.



KPMG

Unlocking Customer Life- Time-Value to Data Monetisation and Digital Marketing

“The power of even the most successful digital pure players come primarily from their customer strategy, not their channel strategy,” said **Willi Sun, partner in consumer & retail sector strategy at KPMG China**. He proceeded to outline a recent use case in which a Fortune 500 company implemented a digital marketing transformation plan to increase customer lifetime value. A large part of this plan involved breaking down the silos in the organisation, both to make data more accessible and to ensure that the sales and marketing team understood and benefited from the tools developed by the digital team. This process takes significant time and requires buy-in from all functions on the management team, he said, but ultimately allows a company to “leverage the technologies that we have today, and maximise and monetise the most out of it.”

Key Takeaways

- 1 Digital marketing transformation plans require buy-in from functions in an organisation, not only the digital and marketing teams.
- 2 Digital teams should create tools that are clear enough for sales and marketing teams to use and understand.
- 3 Customer strategy is ultimately more important than channel strategy for digital players.



Armageddon or AI-Get-On: Can AI Regenerate Consumers' Trust in Brands?

From chatbots to AI-generated advertising, generative AI offers some clear applications for brands, especially for marketing and outreach. In this session, two leaders from Kearney — **Katie Thomas, head of Kearney Consumer Institute, and Makoto Inoue, senior partner of consumer & retail practice APAC lead** — explored those applications and the impact they could have on consumer trust. Thomas said that consumers already have concerns around data privacy and intrusiveness around AI and that “it can be a very quick transition” from useful to “creepy.” To stay on the right side of that spectrum, Inoue suggested understanding how customers would feel about the potential use of AI on a brand. “The only way to build trust as a brand is to exceed the customers’ expectations and mitigate the customers’ concerns,” he said.

Key Takeaways

- 1 Before implementing customer-facing AI, brands should consider customers’ emotional response to that use.
- 2 Consumers express concerns around data privacy and loss of human connection that may come with the rise in AI.
- 3 The startup community includes many potential AI vendors that larger companies can partner with to develop business solutions.

KEARNEY

Practical Advice on Implementing a Programmatic Approach to Decarbonisation

When ENGIE Impact, a sustainability-focused management consulting firm, surveyed 400 executives in companies with decarbonisation goals, it found that only 12% of those executives thought that they were on track to meet or exceed their decarbonisation goals. “Clearly, there’s some gap between what is being planned and what is being delivered,” said **Mark Chadwick, managing director of sustainability solutions at ENGIE Impact**. Some reasons for that gap include insufficient data, internal resource constraints, the complexity of solutions and financing, and difficulties involved in aligning strategy and execution. Bridging the gap will require a shift in mindset. “Instead of using your own balance sheet, instead of thinking about simply payback, we need to challenge ourselves to think about what is the total cost of ownership of the system that I’m implementing,” Chadwick said.

Key Takeaways

- 1 Most executives in companies with decarbonisation goals do not think the companies are on track to meet those goals.
- 2 Complexity of financing and insufficient data are among the main reasons for the gap in decarbonisation implementation.
- 3 To understand that decarbonisation is ultimately good for business, companies must leverage funding sources and take into account total cost of the ownership of the system.



Day 2 | 8th June



Day 2

Plenary Sessions

Human and Planet Well-Being in Japan

For most of the 20th century, GDP has been the dominant indicator of economic growth. But **Dr. Yoshiki Ishikawa, founder and representative director of the Well-Being for Planet Earth Foundation**, argued that this indicator does not reveal the true impact of growth on human health and happiness. His foundation supports well-being research to foster a better understanding of its relationship with growth — a correlation he says is not always positive.

“Although economic growth has many bright sides, it also has many downsides, like environmental issues, human rights issues and so on,” Ishikawa said. He referred to the 1987 UN publication “Our Common Future,” also known as the Brundtland Report, which defined the term “sustainable development” as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.” The UN Sustainable Development Goals, which now underpin much of the CGF’s activity around the Coalitions of Action, grew out of this concept.

But Ishikawa suggested that the SDGs should be accompanied with a new concept: Sustainable Well-Being also relevant to businesses. “Any given company which experiences a huge drop in employee wellbeing will suffer for mid-term or long-term survival,” he said.

He noted, however, that the pursuit of well-being sometimes contradicts the pursuit of sustainable development. Research out of Oxford University, for example, suggests that SDG scopes 12 and 13 — responsible production and consumption and climate action — can have short-term negative impacts on human well-being.

“We protect the planet’s well-being at the expense of human well-being in some cases,” Ishikawa said, proposing a “grand challenge for the CGF community” that could balance these two concerns. “In order to break the trade-off structure between human and planet well-being, how might we see what can be done throughout the 22nd century by the joint efforts of academia, government and commercial industry?”



Key Takeaways

- 1 Gross domestic product, the dominant indicator of economic growth throughout the 20th century, does not necessarily illustrate the impact of development on human well-being
- 2 Well-being has a quantifiable impact on societal stability, and a drop in overall well-being often precedes revolutionary events.
- 3 Some SDG scopes can have a negative impact on well-being. CGF has a role to play in balancing these goals.



The Kyoto Model

This panel featured an eclectic group of prominent Kyoto locals: the vice-governor of the prefecture, the president of its oldest university, the deputy head priest of a 600-year-old Zen Buddhist temple and the heir-ess to a 300-year-old sweets shop. In Japanese, they discussed the city's unique blend of innovation and tradition and suggested lessons business leaders from elsewhere could take home after their visit.

Akimasa Yamashita, vice-governor of Kyoto Prefecture, framed the conversation with two keywords: resilience and evolution. He summarised Kyoto's 1,500 years of history within this framework, from its zenith as the capital and seat of the emperor to its nadir after the Meiji Restoration of the 19th century relocated the country's centre to Tokyo. Since that time, the city has redefined itself as a stronghold of traditional Japanese culture while remaining at the vanguard of science and

research. He noted that the city is home to some of the oldest businesses in the world, including 1,200-year-old paper goods manufacturer Genda Shigyō. This longevity is possible because businesses "respect each other's position" rather than trying to stamp each other out, he said — the pursuit of harmony in action.

Though Kyoto is now seen as a bastion of harmony, **Dr. Nagahiro Minato, President of Kyoto University**, reminded the audience that the city has had many periods of turmoil over its long history. When the emperor left the city, for example, Kyoto went into decline until it found a niche outside the imperial sphere of influence. Kyoto University was a product of that adaptation; unlike the older Tokyo University, it was not formed to train government officials. Today, the university has produced 11 Nobel Laureates, the most of any institution in Asia. "Kyoto is not dormant, but has transformed radically until

today," he said. "It may look the same on the outside, but on the inside it has radically changed itself."

Speaking in a mixture of English and Japanese, **Rev. Daiko Matsuyama, deputy head priest of Taizo-in Zen Buddhist Temple**, compared this transformation to the concept of dynamic equilibrium: a state in which a system seems to be at rest due to equal and opposite forces, like staying in one position in a river by rowing against the current. Maintaining this equilibrium takes continuous effort, he said. He also suggested that Buddhist philosophy underpinned Kyoto businesses' consumer-focused approach. "In Buddhist terminology, profit is not about money. It is about doing something good," he said. "First of all, we have to do service to society, and then later, rewards will come to the company as a natural consequence."

Kanako Suzuka, senior managing director of Shogoin Yatsushashi Sohonten Co., Ltd., agreed with Matsuyama's explanation of dynamic equilibrium. Her family has been selling the local speciality yatsushashi for more than 300 years, and though the recipe and method remains traditional, maintaining that traditional flavour requires constantly tweaking the recipe and ingredient sources — to adapt to supply chain disruptions such as droughts, for example. "In order not to change, we need to continue to move. This really applies to our business management," she said.

Key Takeaways

- 1 Many of Kyoto's businesses place a priority on continuity over profit, leading to their remarkable longevity.
- 2 Though apparently conservative, Kyoto's legacy businesses are in fact in a state of dynamic equilibrium, constantly adapting in order to preserve tradition.
- 3 A Buddhist emphasis on service to society underpins Japanese businesses' consumer-focused approach.





Collaboration Put to the Test: Health & Sustainability Insights from the Field

The CGF's Coalition of Action on Collaboration for Healthier Lives builds on a decade of work by CGF members to combat lifestyle-related diseases such as diabetes by empowering consumers to make healthier choices. With **Sharon Bligh, health and sustainability director of the CGF**, as moderator, members of the CHL formed a panel to discuss the Healthier Lives agenda and how it overlaps with sustainability, especially as climate change affects human health and well-being.

Ayla Ziz, senior vice president of global sales and chief customer officer at Danone, argued that offering healthy, sustainable options is as good for the bottom line as it is for people and the planet. She presented a handful of case studies around Danone's work to provide these options, such as promoting flexitarian diets with five different manufacturers in France and making it easier to recycle Silk almond milk TetraPaks in Mexico. In all cases, the initiatives led both to better choices and to increased sales. "Performance without sustainability has no future, and sustainability without performance has no impact," she said.

Imke van Gasselt, vice president of health and sustainable diets at Ahold Delhaize, brought a retailer's perspective to the conversation. To encourage healthy choices, her company offers a discount on products with an A or B rating on Nutri-Score, a labelling system used primarily in the EU that visualises the overall nutritional value of food products. This initiative helps consumers stick to healthy diets even as the cost of living crisis in many countries steers them towards cheaper options. "We have to stretch the definition of value," she said. "It's not only about price; it includes health and sustainability."

Key Takeaways

- 1 Sustainability can be as good for sales as it is for people and the planet.
- 2 Retailers can help consumers make healthy choices by tying discounts to nutrition scores.
- 3 With increasing environmental pressures on raw materials as well as attention from NGOs and regulators, sustainable sourcing is key to supply chain security.

Rebecca Marmot, chief sustainability officer at Unilever, agreed that sustainability is good for business. Surveys show that consumers demand it: 43% percent of people now see sustainability as more important than it was two years ago, she said. NGOs are also putting pressure on the consumer goods industry to set and stick to sustainability goals. "I don't see sustainability any longer as something on the side. It's 100% mainstream as a business strategy," she said. "It's absolutely critical when it comes to sourcing materials, security and supply."

Science & Nature in Harmony: Food Tech is the Way to Go

As Bel Group CEO Cécile Beliot-Zind warned in an earlier plenary, the world will not be able to achieve the emissions reduction goals outlined in the Paris Agreement if all people adopt the meat-heavy, industrialised diet of the most affluent countries. Food technology innovators are therefore working to reduce the carbon footprint of the food industry while providing the flavour and experiences that consumers demand. In this session, two venture capitalists in the food tech sphere showcased some of these innovators and invited larger companies to get involved.

“We believe that the transition in the food system is one of the biggest challenges of our time, and at the same time one of the biggest opportunities,” said **Olaf Koch, partner at ZINTINUS**, a food tech venture capital firm based in Berlin, noting that the food industry produces about a third of global greenhouse gas emissions.

“If we want to satisfy the upcoming demand for meat in growing economies, we will need another planet, and certainly we cannot,” he said. “So we need to find alternatives, and the alternatives are around the corner.” One example is the Israeli startup Believer, arguably the first company to successfully scale up cell-cultured

meat production to industrial production. The company combines cultured animal cells with a wheat-based base to create an alternative protein that closely replicates the flavour and texture of meat.

Matilda Ho, founder and managing director of Bits x Bites, turned the conversation to another crisis: skyrocketing rates of obesity and diabetes in markets moving to an industrialised diet. “Over the last 30 years, people have been fed by a food industry that pays no attention to health, and healed by the health industry that pays no attention to food,” she said. “But food should be preventive health care. Food should be the doctor’s first prescription that can save us.”

Among other examples, she highlighted the Singaporean startup Alchemy Foodtech as an innovator providing health care through food — without compromising on taste. The company produces a fibre product that reduces the glycaemic index of high-carbohydrate foods while allowing consumers to eat the foods they enjoy, such as white rice and baked goods. “Fundamentally, we need to all together accelerate that paradigm shift of consumer behaviour and empower them to consume healthier products,” she said.



Key Takeaways

- 1 Major innovation in food technology, especially in alternative proteins, is necessary to meet global consumer demand for animal products while reducing greenhouse gas emissions.
- 2 To address lifestyle-related diseases such as diabetes, food companies must provide healthier options that don't compromise on taste.
- 3 While there is no lack of innovation in food tech, the sector needs more investment to achieve its goals.



Retail: The Perspective From India



While Japan and China often dominate discussions about innovation in the retail sector, this presentation by **Damodar Mall, CEO of Grocery at Reliance Retail**, demonstrated that another Asian player is coming to the forefront. As a leader of India's largest retailer, Mall has first-hand experience of the country's unfolding digital revolution and shared predictions on how it will come to influence the rest of the world.

"India is open for business," Mall declared — unlike consumers in markets such as China, Indian consumers use many of the same social media applications and e-commerce platforms as their counterparts in the West. He added that India has an unusual level of digital literacy for its income level and the highest per-capita data consumption rate in the world. Cash-less payments, especially through mobile phones, are becoming the norm, even among street vendors and kirana stores (small, informal grocery stores).

However, global companies interested in reaching these digitally savvy consumers should be aware of India's idiosyncrasies. For example, Indian consumers expect a high level of service — down to workers operating vending machines for them — and have a strong preference for

homemade over convenience foods. People tend to trust their families over any other influencer, and the intergenerational family home remains the centre of most lives.

Some major global players have already made headways into the Indian market by leveraging these homegrown networks. Amazon, for example, launched a Smart Commerce initiative to allow kirana stores to sell through its platform, and kirana owners are already used to buying their wares through e-commerce. "Every mom-and-pop store opens three apps where they can do the purchase of the day," Mall said.

Sustainability is also a familiar concept for the Indian consumer, who abhors food waste and knows to take recyclable items to the kabari-wallah (scrap merchant). "The habit of not throwing things away but of collecting them and extracting value, we would like to encourage it in modern ways," Mall said, describing supermarkets' practice of composting food waste and giving the compost away for free.

"I always say that those who bet on insights win big in India," Mall concluded. "Everyone's winning. There are no losers in this market."

Key Takeaways

- 1 With its digitally savvy population and open market, India provides major opportunities to global businesses.
- 2 Success in the Indian market depends on understanding local expectations, including a high level of service and integration into the informal retail network. .
- 3 Sustainable practices such as recycling and preventing food waste are baked into the Indian mindset.



Accelerating the Race to Zero

The CGF is an official accelerator of the Race to Zero, a UN-backed global campaign to bring businesses, institutions and governments along on the journey towards net zero greenhouse gas emissions. The session devoted to this effort began with a note of thanks and encouragement from **Her Excellency Ms. Razan Al Mubarak, High-Level Champion of the UAE** for the Race to Zero.

“The global leaders here can spearhead systematic change,” she said. “The implications of your goods, your products, your services, from production to disposal, significantly affect our transition to the next era of society.” Her video message was followed by a panel discussion with four leaders involved in the CGF’s Race to Zero work.

Frans Muller, president and CEO of Ahold Delhaize, began on a pragmatic note. “The IPCC reports tell us we are not on the right track,” he said, referring to the Intergovernmental Panel on Climate Change’s recent warning that “there is a rapidly closing window of opportunity to secure a liveable and sustainable future for all” and that exceeding 1.5 degrees of warming is likely. He urged business leaders to collaborate on climate solutions: “When we find something that is working, we have to share it as quickly as we can, because we have no time.”

Oliver Wright, senior managing director at Accenture, agreed that collaboration is key but said that the infrastructure to facilitate this sharing is still in its infancy. “What we’re finding as a whole is that there’s questions

around the availability of data,” he said. “Historically, it’s been easy to operate within the four walls of the organisation. ... Sharing is something quite difficult.” He also encouraged businesses to bring the consumer along on the journey, admitting that large-scale buy-in from consumers on the sustainability agenda has so far been a challenge.

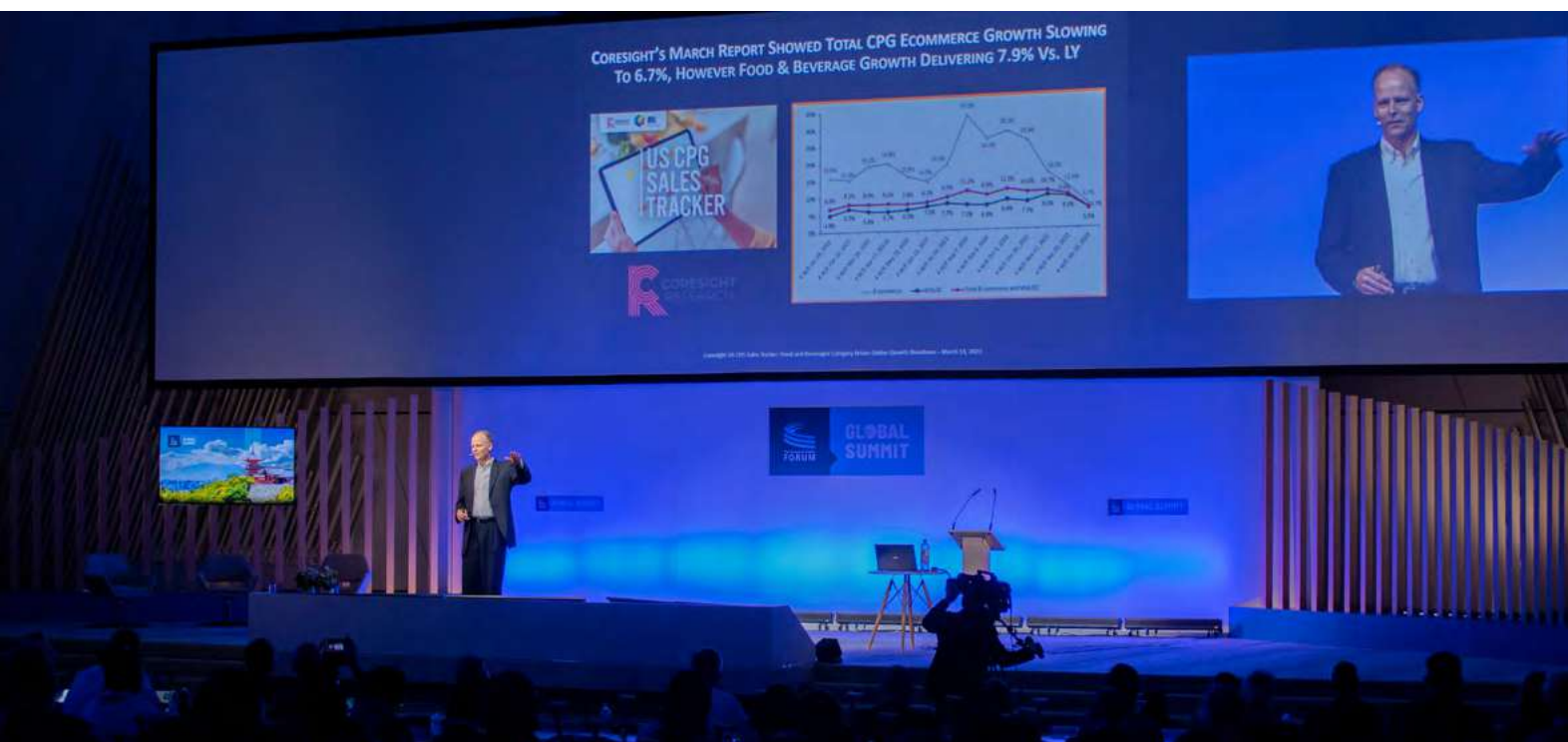
Ramon Laguarta, CEO and chairman of the board of PepsiCo, was optimistic about the possibility of decarbonising the consumer goods industry without cutting into long-term profits. He pointed out that carbon-reducing techniques such as regenerative agriculture can also increase yields and that renewable energy is already cheaper than fossil fuels in some markets. “There’s a lot of signs already that a greener company, a more modern company in a way, will have a better P&L,” he said.

Antoine de Saint-Affrique, CEO of Danone, agreed that decarbonisation makes good business sense. “It’s future-proofing the company,” he says. “If you don’t have farms, you don’t have food. If you are not socially acceptable, you don’t have a business,” adding that the health and stability of global society depend on the success of the Race to Zero. “If you haven’t pledged, pledge,” he urged as the session closed.

Key Takeaways

- 1 The success of Race to Zero depends on businesses sharing their progress with each other and the public.
- 2 Though decarbonisation and other sustainability initiatives come with up-front costs, they can result in greater profits and a more secure supply chain.
- 3 Businesses should bring consumers along on their Race to Zero journeys through education and outreach.





The Future of Retail & FMCG Innovation

John S. Phillips, SVP of customer supply chain and global go-to-market at PepsiCo, opened his plenary talk with a video montage of global events since 2019, including the COVID-19 pandemic, the Great Resignation, and the rise of automation and AI. It closed with a leading question: “Are you ready to succeed in the VUCA value chain of the future?”

VUCA, Phillips explained, stands for volatility, uncertainty, complexity and ambiguity. “I can’t think of a word that more appropriately defines and describes what we’ve dealt with in the last 36 months,” he said. In a rapid-fire presentation punctuated with TikToks, he proceeded to outline some technological trends that can help retailers adapt to the VUCA value chain.

One key adaptation is the DataMatrix label, which is set to replace the 50-year-old UPC barcode in the near future. Recently launched by GS1, DataMatrix is a two-dimensional barcode usually printed as a square that includes a production’s Global Trade Item Number. Unlike UPC barcodes, consumers can interact with two-dimensional codes, allowing manufacturers to share relevant information such as nutritional facts, sustainability credentials and certifications as well as marketing content. “The power of the industry is standardising an approach,” he said. “If you do that and do it right, it’s really going to create a breakthrough capability.”

Breakthroughs are also taking place in the workplace, which was indelibly changed by the COVID-19 restric-

tions. The generation who came of age during the lockdowns, Gen Z, has a more tenuous connection to the physical workplace than their older counterparts and demand greater flexibility. Phillips agreed that remote work comes with significant benefits, “but the part you’ve got to balance is the culture,” he said. “Are you building mentorship? Are people getting connected to the organisation? Do they understand different roles, promotion opportunities?” He suggested that hybrid work will end up becoming the standard that people expect.

Even with flexible work models, some employers have trouble filling roles, especially in service and manufacturing positions. Phillips suggested that automation may help companies deal with staffing shortages. He presented a handful of automated technologies that are already in use in places around the world, including autonomous vehicles for first- and last-mile delivery and robot-assisted fulfilment centres.

“Some of this stuff may be intimidating to you. You don’t have to have all of it,” Phillips reassured the audience. “You just need a place to start ... and somebody that’s very mindful and understanding how these work to build your blueprint.”

Key Takeaways

- 1 The GS1 DataMatrix barcode will allow manufacturers to communicate relevant information such as nutrition facts, sustainability credentials and certifications with consumers.
- 2 Hybrid work schedules may be the best way to provide flexibility and build company culture, especially for Gen Z workers.
- 3 New automation technology can increase efficiency and help cope with staffing shortages.

Innovative E-Retail Experiences

The COVID-19 pandemic accelerated every emerging field related to e-commerce, and retail media networks — advertising platforms provided by online retailers — are no exception. RMNs are a growing source of revenue for retailers and a powerful tool for reaching specialised audiences, especially as the decline of third-party cookies makes granular consumer data less accessible. In this session, two prominent players in the space discussed RMNs’ potential and predicted how they will take shape in the future.

Andy Murray, founder of the retail and CPG consultancy BigQuest, called RMNs “probably the largest change in advertising in decades that we’ve seen in digital marketing.” Amazon, which is currently the largest player in the RMN space, reported \$31.2 billion in ad revenue in their 2021 earnings report, putting them ahead of YouTube. “Collectively, around the world, retailers’ jaws dropped,” Murray said of the report.

As a result, there are now over 600 RMNs in the nascent field. “For them to really survive and make it, they’ve

got to get really clear on their strategic value add” to brands, compared to the top players like Amazon, Walmart, Target and Kroger, Murray said. “But there are some real opportunities for some of the niche retailers to own their segment and provide that value.”

Cara Pratt, senior vice president of Kroger Precision Marketing, was also optimistic about both earning and targeting potential, though she steered the conversation towards long-standing tenets of marketing science. “There are a lot of shiny eyes for a lot of retailers trying to figure this out,” she said. “But it really is about curating optimal audiences and then holding to a new level of measurement standards.”

She cautioned against disregarding the brick-and-mortar environment and traditional in-store advertising in favour of retail media. “There’s still a lot of behaviour that’s happening in physical stores, and the ability to tie together and unify behaviour that’s happening within a brick-and-mortar store and a digital ecosystem is important,” she said.



Key Takeaways

- 1 Retail media networks offer a powerful way for brands to reach targeted audiences, especially as data becomes less available through third-party cookies.
- 2 Major spending is taking place in the RMN space, and even small, niche retailers can offer a unique value proposition to brands.
- 3 Investment in the RMN space should be backed up with solid marketing science around audience curation and measurement.

CEOs and Generation Z: How Global Companies Can Continue to Grow While Enhancing Well-Being

As millennials and Generation X age into senior positions and baby boomers retire, a new generation is entering the workforce: Generation Z, born between the years of 1997 and 2012. Gen Z is coming of age in the aftermath of the pandemic with different expectations than their predecessors, both as employees and as consumers. This session, moderated by **BCG Henderson Institute Fellow Osamu Karita** and featuring representatives from three different generations, discussed these expectations and how companies can meet them.

Generation Z was represented by 16-year-old **Midori Watabe, chief future officer of Euglena Co.**, a Japanese biotechnology company developing algae-based food and cosmetic products. Watabe said that her generation has similar desires for the workplace as people have always had — fulfillment, acceptance and mutual respect. However, Gen Z's hopes for the future are coloured by anxiety around global warming, which is predicted to accelerate throughout their adult years. "The concerns of our generation are about having doors closed for reasons that are beyond our control, such as climate change," Watabe said, adding that these concerns have a significant impact on well-being.

Akiko Naka, founder and CEO of Wantedly, brought a millennial perspective to the conversation. As the 39-year-old founder of a startup that serves as a matchmaking platform between job-seekers and companies (and the youngest woman to run a company publicly listed on the Tokyo Stock Exchange), Naka has first-hand experience of the trends influencing young workers' job searches. She said that Gen Z wants to feel like they are part of a cause and making change in society rather than just working for

money. They also seek autonomy in their roles and continuous improvement in their abilities. "If their work goals become their life goals, if it aligns, then their life should get much happier," she said.

Sadanobu Takemasu, president and CEO of Lawson, Inc., quipped that neither he nor Lawson are part of



Key Takeaways

- 1 Purpose, autonomy and mastery are key to job satisfaction and well-being for all workers, but especially for millennials and Generation Z.
- 2 Generation Z wants the companies they work for to commit to fighting climate change, which will have a larger impact on their lives than on any previous generation.
- 3 Successful collaboration among generations in the workforce requires acceptance of differences.

Generation Z; both are over 50 years old. As the leader of a convenience store chain with over 14,000 branches, however, he has a keen interest in meeting young workers' expectations. "I think well-being is really important for employees' lives, but also for a company's growth too," he said, later adding that "the power of diversity between the generations will be a source of innovation."

Watabe agreed that successful collaboration between generations will require acceptance of differences on all sides. "It's more important than ever to accept different perspectives, and even if you can't accept them, you still have to accept that they exist," she said. "What's most important is, trust that everybody will be doing their best job in the place that they are in."





Special Guest Speaker: Ken Watanabe

“As you can see, I’m trembling,” said CGF Director Wai-Chan Chan as he introduced the final speaker of the Global Summit: **superstar actor Ken Watanabe**. With roles in Hollywood blockbusters such as “The Last Samurai,” “Memoirs of a Geisha” and “Inception,” Watanabe is a familiar face to both Japanese and foreign audiences. In a bilingual interview with Chan and moderator Isabelle Kumar, he spoke about Japanese culture, charitable work and his hopes for the impact of the CGF.

Watanabe identified harmony and cooperation as core elements of Japanese culture that began to fade after the Meiji Restoration as the country raced to move

ahead of the rest of the world. After the 2011 Tōhoku earthquake and tsunami, however, “We rediscovered the spirit which was almost lost to help each other,” he said.

For his own part, Watanabe started a cafe and event space in Kesennuma, a town decimated by the tsunami, to serve as a centre for support efforts and a gathering place for locals. Ten years later, Cafe K-Port remains one of the most popular spots in town, and Watanabe still takes the time to help behind the counter on his visits. “We want to be a beacon,” he said, referring to the lighthouse on the cafe’s logo. “We want to be the hope for them to stand up.”

After sharing thoughts on his upcoming science-fiction film, “The Creator,” and how it relates to real-life concerns around artificial intelligence, Watanabe expressed his hope that the CGF would learn from the cooperative spirit that underpins Japanese culture. “You need to go beyond being a corporation or a business person or a politician or whatever in order to deal with a global crisis,” he said, listing energy and food shortages as some of the most pressing concerns for industry.

“We need to be open-minded to collaborate with all other people so that people can live a peaceful life,” he said. “We want to create that kind of society.”

Key Takeaways

- 1 In times of crisis, people often rediscover their ability to care for and support one another.
- 2 Companies must look beyond immediate business concerns in order to address global issues such as food and energy shortages.

Special Sessions

Day 2

NIQ

Uncovering the Global Consumer Say/Do Ratio for Sustainability

“When it comes to sustainability, what consumers say and what they actually do are two very different things,” posited **Justin Sargent, president of NielsenIQ Asia Pacific**, at the top of his session. He proceeded to outline NielsenIQ’s insights around the sustainability say/do ratio and propose ways brands can help consumers bridge this gap.

Sargent said that consumers fall into four categories regarding their approach to sustainability: evangelists who choose products largely based on their impact on the environment; consumers who choose sustainable choices because they perceive them as healthier; minimalists who take on sustainable behaviours out of need; idealists who can’t afford to do as much as they would like; and sceptics who don’t consider sustainability when choosing products. Across the board, however, nearly half of consumers say brands should do more to provide sustainable options.

“Be confident that consumers are noticing,” Sargent said. “The faster we can accelerate and talk to consumers about it, the bigger the impact we will have.”



Key Takeaways

- 1 Constellation analytics is a leading-edge approach to delivering real-time predictive and executable insight through big data and AI.
- 2 Predictive analytics can drive product innovation and enhance resilience.
- 3 The expanding data universe presents both challenges and opportunities for industry leaders.



From Chaos to Control: Harnessing the Possibilities of Data

Facing a volatile world, leaders must pivot faster and more precisely to remain resilient and relevant. Leading brands have been insatiable in their appetite for data, but struggle to unlock its full value. In this session, **PA Consulting data science and AI experts Alwin Magimay and Richard Chamier** joined global leaders **Joanne Crudelle and Kumar Subramanyan of Unilever** and **Nina Lund of Microsoft** to explore how industry leaders are successfully navigating these data challenges.

Magimay and Chamier argued that consumer goods companies have become data-rich, but insight-poor, left wondering how to translate disparate data points

into competitive superiority. Getting ahead requires leaders to bring control to what can feel like chaos — and to coalesce single points of data into compelling constellations of insight.

The speakers explained how AI provides the key that can unlock significant value, drive innovation, carve out advantage and create new levels of resilience. For example, during the COVID-19 pandemic, PA and Unilever collaborated on CASI, an AI-powered predictive tool that helped Unilever’s workforce adapt to COVID-19 trends. The technology could be adapted to predict and prepare for other trends as disruptions continue to threaten the supply chain.

Key Takeaways

- 1 While consumers vary in their concerns and commitments to sustainability, they are unified in their belief that brands should be doing more.
- 2 Greenwashing — making sustainability claims that are not backed up by action — can backfire dramatically, even leading to boycotts.
- 3 Companies have the opportunity to provide sustainable options at price points that more consumers can afford.



The Digital Shift in Japan: How AEON Next Is Using Advanced Technologies to Transform Business and Enable Sustainability Success

While many companies have sustainability commitments and even more have embarked on a digital transformation journey, few have successfully integrated both sets of goals into long-term operational plans. This session shared a holistic approach to digitalisation and sustainability from AEON Next, an online business subsidiary of the Japanese retailer AEON.

Bharat Rupani, president of AEON Next Co., Ltd., discussed how data and technology can support AEON's forays into omnichannel as well as its sustainability goals. He said that consumers are increasingly making decisions based on products' carbon footprint, which requires transparent data collection across the supply chain.

To help manage product information data, AEON Next selected Stibo Systems' SaaS Multidomain Master Data Management platform. Adrian Carr, CEO of Stibo Systems, briefly introduced this platform and how it incorporates sustainability information, especially for Green Beans, an online grocery marketplace that AEON launched earlier this year.

In addition to tracking the sustainability information of products, AEON has committed to ramping up its sustainability efforts. The company has installed solar panels and EV charging points, implemented shopping bag recycling and food waste reduction initiatives, and planted 12.4 million trees — plus one tree for every attendee of the session.

Key Takeaways

- 1 New technologies can benefit e-commerce and aid in reaching company sustainability goals.
- 2 The data supply chain is as important as the physical supply chain.
- 3 Collaboration is key for both offensive and defensive sides of sustainability.



The Future of Packaging on the Circular Economy: 5 Actions for Long Term Success

Packaging continues to be a priority for consumer goods companies in their efforts to deliver both business and sustainability value — and a persistent challenge. To discuss solutions for this challenge, this session brought together leaders from the consumer goods industry dedicated to making both products and packaging more circular.

Representing the food industry was **Christine Montenegro McGrath, senior vice president and chief impact and sustainability officer of Mondelēz International**. She said that industry should lobby for better recycling infrastructure, especially for flexible films, and for harmonisation of policies across governments.

Dave Muenz, director and managing executive officer of the SVP ESG division of Kao Corporation, had a slightly different perspective from his vantage point

at a cosmetics and chemical manufacturer based in Japan. The country's government and citizens are early adopters of the circular approach, and its companies are ahead of their peers in incorporating circularity from the beginning of product design. The industry needs "creative thinking to move beyond where we are and use materials in a more creative way," he said.

E.J. Kenney, SVP for the Consumer Products Industry at SAP, emphasised the importance of data in supporting the circular economy. He also urged collaboration: "Individual companies can only make incremental success," he said.

Key Takeaways

- 1 To reduce plastic waste and align with the rapidly evolving regulatory landscape, the industry must transition to a circular economy.
- 2 Leveraging the principles of a circular economy for systems change can unlock growth.
- 3 A lack of accurate data hinders many companies from achieving their circularity goals.



I-Talks

Day 2

dunnhumby

How Retail Media is Changing the Game for CPG Brands

This presentation by **Tanguy Pincemin**, head of Western & Southern Europe at dunnhumby, returned to the topic of retail media networks with data-based insights on the performance and future potential of this emerging sector. He suggested that the impact of RMNs on advertising may be bigger than that of search engines and social media — especially after “the death of the cookie” — but only if retailers and brands understand their customers. “Retailers must create connected, personalised interactions that meet customer needs, which in turn deliver strong results for brands,” he said.

Key Takeaways

- 1 Data science is key to effectively building and leveraging retail media networks.
- 2 Some analysts suggest the impact of RMNs on advertising will be bigger than that of search engines or social media.
- 3 RMNs pose a major profit opportunity for retailers that analysts estimate between \$100 billion and \$200 billion.




When Sustainability is No Longer Enough

While most large companies have published sustainability commitments and began to work towards an implementation strategy, surveys show that few feel confident about their ability to achieve their sustainability goals. In this session, **Elaine Parr**, senior partner and vice president of consumer industries at IBM and **Sevgi Koklu**, VP and managing director of global sales at IBM Technology, shared some pragmatic advice towards incorporating sustainability in every part of an organisation's DNA. Technology is key to this holistic approach, they argued. “Sustainability is business with purpose, powered by technology,” Koklu said.

Key Takeaways

- 1 Sustainability strategies should take a holistic approach that is embedded in every part of an organisation.
- 2 Companies are looking at a 34% increase in the technology budget to be able to deliver on their promises to the planet, people and shareholders.
- 3 For greater impact, companies should integrate sustainability strategies not only within the organisation, but with ecosystem partners across the board.



SIEMENS

How to Reimagine Transformational Innovation for the CPG and Retail Industries

Mario Vollbracht, vice president of consumer products and retail at Siemens Digital Industries Software, brought the audience on a journey through cutting-edge innovations across industries and connected them to the world of consumer products and retail. One example he highlighted is Nemo's Garden, an Italian startup focused on sustainable underwater crop cultivation. Siemens' digital twinning technology allows the start-up to build dynamic virtual models of its biospheres. Vollbracht suggested that digital twinning, combined with AI and other tools, may be used to revolutionise the food industry in other ways, possibly leading to cell-cultured eggs and dairy that are nutritionally identical to their predecessors. "It's important to understand that digitalisation isn't only for big companies," he said. "In fact, dollar for dollar, the smaller the company, the larger the impact can be."

Key Takeaways

- 1 Digital twinning can allow companies, especially startups, to build and scale innovations while reducing overhead costs.
- 2 Large companies can partner with smaller disruptors to increase their impact on sustainability.
- 3 AI may change many people's jobs, but it will ultimately lead to greater innovation and more rewarding careers.

AlixPartners

Winning in the Age of Disruption

High inflation, slowing growth, shifting consumer preferences and an increasingly uncertain environment have challenged consumer products companies over the past year. Two leaders from AlixPartners — **Randy Burt, partner and managing director, and Andy Searle, EMEA leader of consumer products** — helped quantify those challenges and how companies are responding with insights from an executive survey. They found that 96% of executives believe they need to change their business models within the next three years. The most rapid change is coming from growth leaders, who are working to anticipate disruption in all parts of their operating models. "Our experience is that either you ride the wave of disruption or you get wiped away," said Searle.

Key Takeaways

- 1 The age of disruption is not a temporary phenomenon; business leaders can expect even more disruption as time goes on.
- 2 Nearly all executives believe they need to change their business models, and growth leaders are already changing.
- 3 Solutions should be integrated throughout the value chain to embed not only productivity, but also sustainability in the outcome.



More to Explore



Store Tour

On the day before the Global Summit officially opened, delegates enjoyed a Store Tour through the best of the Kyoto retail scene. The full day of visits brought them to the most relevant players composing the Kyoto retail kaleidoscope, including the diversified retail corporation AEON, convenience store chain Lawson and the historic Nishiki Market, which has existed in various forms for more than 1,200 years. The tour provided an opportunity to learn from the first-hand experiences of store managers and executives — as well as to sample some of Kyoto's signature snacks.



Innovation Tour

The all-new Innovation Tour offered an alternate track to the Store Tour, delving deeply into the topics of well-being, food safety and sustainability. Delegates on this track visited Kyoto's Research Institute of Innovative Technology for the Earth, which has been working to help the world slow climate change since 1990, as well as cutting-edge factories and food shops. They came away with an understanding of Japan's approach to combating global challenges such as climate change, hunger and poverty through technology and a holistic, human-centred focus.



Exhibition Hall

Between sessions, delegates explored and made connections in the Exhibition Hall, showcasing some of the consumer goods industry's most innovative companies as well as Japanese traditions such as the Zen-influenced tea ceremony. At the heart of the Exhibition Hall was the Presentation Theatre, which hosted the 15-minute I-Talks in a collaborative space conducive to conversation between the speakers and the audience. The hall was also home to the Lotte Wellness Lounge, where delegates could learn about well-being and enjoy a massage between meetings.

Carbon Neutrality

Sustainability is at the heart of the CGF's mission and a core part of its global event strategy. We work with venues that make environmental and community impacts a priority. ICC Kyoto, the birthplace of the Kyoto Protocol, is certified for STEP 1 of the KES (Kyoto Environmental Management System Standard). Participants employed a dedicated Event App to reduce printing and marketing activities onsite. Menus prioritised locally sourced ingredients and plant-based options were available at all meals, including the black-tie Gala Dinner and the Farewell Cocktail.



DE&I Lunch

On June 8th, in Kyoto, our new Co-Chairs Frans Muller and Dirk Van de Put hosted CGF's first lunch on DE&I. Nathalie Roos, CEO of Lipton and Nina Jönsson, CEO of ICA Gruppen joined them to brainstorm and exchange with the audience on a wide range of DE&I related issues such as advancing women participation to the Board, best practices sharing among CGF member companies and the key role of Inclusion. CGF will continue to work on these issues and share progress at the Chicago Global Summit 2024.

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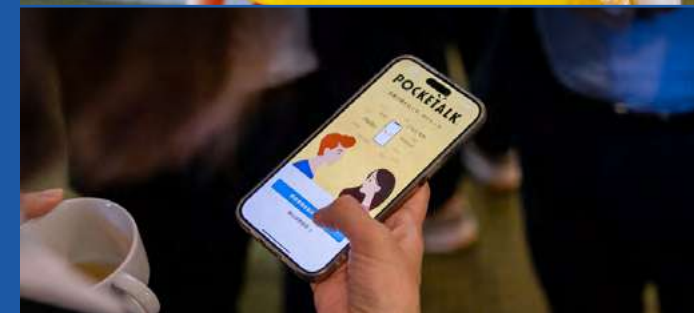
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The Consumer Goods Forum

The Consumer Goods Forum is a global, parity-based industry network that is driven by its members to encourage the global adoption of practices and standards that serves the consumer goods industry worldwide. Uniquely positioned as the organisation bringing consumer goods retailers, manufacturers and their service providers together globally, the organisation is expertly placed to drive positive change across the industry to benefit both people and planet, and help members secure long-term, sustainable business growth.

www.theconsumergoodsforum.com

The Global Summit: The Premier FMCG Business Network

The Global Summit of The Consumer Goods Forum is the business event that unites CEOs from some of the world's most successful retailers, manufacturers and service providers. This unique event is the essential destination where 700 business leaders and key stakeholders gather under one roof every year. It is where CEOs talk to CEOs with additional insights and learnings from global and regional experts. It is the place to voice and discuss the key issues and challenges facing our industry now and in the future.



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