



## **The Consumer Goods Forum (CGF) and Bain & Company Host “Shaping New Quality, Towards Net Zero” Roundtable at CIIE 2024, Launching China’s Green Transition Initiative**

**Shanghai, November 6, 2024:** Today The Consumer Goods Forum (CGF), the world’s leading consumer goods industry organisation headquartered in Paris, France, hosted the *“Shaping New Quality, Towards Net Zero” Sustainable Consumption Roundtable* in Shanghai, supported by Bain & Company. This roundtable, part of the 7th China International Import Expo (CIIE), focused on expanding green product supply, increasing green consumption, and innovating green solutions to drive a comprehensive green transition. The discussions aimed to support companies in achieving net-zero emissions while fostering new drivers of economic growth. The event also explored the future of new types of consumption from four angles: new business models; formats; scenarios; and services.

Top executives from domestic and international consumer goods companies participated, discussing the challenges and opportunities in green transition. The forum reached a preliminary industry consensus on collaborative governance and launched the CGF China Green Transition initiative.

Mr. Luo Zhisong, Chief Economist of the Shanghai Municipal Commission of Commerce, delivered a keynote speech with leaders from the Shanghai Bureau of Ecology and Environment and the Shanghai Institute of Quality Management Science also present.

Participating Companies included Want Want Group; Danone China; Lianhua Supermarket; Nestlé Zone Greater China; Mengniu Group; Bright Dairy; Bain & Company; Uni-President Enterprises; New Hope; Lee Kum Kee; Rockwell Automation; New Hope Group; Wumart Group; IKEA Group; Watsons China; L’Oréal North Asia & China; Bailian Group; Sodexo Greater China; Ele.me; Mondelēz Greater China; Goldhongye; Nongfu Spring; P&G Greater China; DFI Retail Group; Shanghai Biotech Group (Biofunction); JD.com; and OATLY.

### **Quotes from Participants**

#### **Shaohua Pu, President of Bailian Group and CGF Global Board Member & China Board**

**Co-Chair**, said, “This year, the CGF Global Board approved the establishment of the Towards Net Zero Coalition, focusing on four key areas to drive industry collaboration in carbon reduction and accelerate the path to achieving net-zero emissions by 2050. This roundtable marks the start of CGF China’s initiative for green transition and the successful launch of the global coalition’s efforts in China. On behalf of the CGF Board, I sincerely hope more companies will engage in this important topic. CGF China will develop a tailored action plan centred on value creation and fostering 'new quality' as we promote low-carbon transition under the green transition theme. We look forward to all participating companies collaborating under government guidance to establish a green world for Beautiful China, moving together toward a more sustainable future.”

#### **Joost Vlaanderen, President of Greater China at Mondelēz International and CGF China Board**

**Member**, shared, “Sustainability is a core pillar of our Vision 2030. Over the past few years, Mondelēz China has achieved significant progress in areas like carbon reduction and packaging. We are committed to collaborating with CGF, the government, and stakeholders to enhance the circular economy in China.”

**Michael Liu, Chairman of New Hope Food and CGF China Board Member** emphasised their ongoing efforts, “New Hope has united with more than 20 partners to establish a Feed Grain-Saving Innovation Alliance, leading to the conservation of over 3 million mu (approximately 495,000 acres) of



land over five years. We are committed to creating eco-friendly, high-quality food products and collaborating with sales channels to build a recognized green consumption brand. We aim to build an ecosystem for green transformation across the entire agri-food chain.”

**Yvonne Cao, General Director, Want Want Group**, said “Want-Want Group has been deeply involved in the food industry for 62 years, consistently committed to advancing World-Class production management and integrating it into the unique Want-Want Standard Management (WSM). In 2016, Want-Want officially incorporated environmental sustainability into the WSM, continuously focusing on low carbon and innovation to ensure that the production process is environmentally friendly. The company has consistently surpassed expectations, achieving its environmental goals ahead of schedule, and has received numerous prestigious awards, such as the China Grand Awards for Industry and CDP Excellent Environmental Leadership Award.”

**David (Juntao) Fang, Senior Vice President, Nestlé Zone Greater China**, highlighted “Nestlé has a clear framework for promoting responsible sourcing, which includes three elements: firstly, traceability; secondly, Nestlé's core requirements of responsible sourcing apply to 14 key ingredients, including dairy, coffee, sugar, vegetables, and soy etc., which accounts for approximately 95% of Nestlé's annual sourcing by volume. Our commitment is to achieve 100% responsible sourcing for all 14 key ingredients by 2030, and we have already achieved 36.2% by 2023 so far; lastly, we have been promoting regenerative agriculture to elevate responsible sourcing in the supply chain to a higher level.”

**Xiyan Tian, Vice President, Ele.me**, said, “As a digital platform, Ele.me will give full play to the role of extensive links with the supply side and the consumption side to promote green consumption. This year, we will take the Green Weeks during the Olympic Games as the starting point, invite more brands to join us as our low-carbon partners, and further explore more green products and green packaging, enhance consumers' green awareness through marketing activities. We look forward to integrating green concept, technology, operation capability and design capability to influence and work together with more eco-partners and third parties.”

**Rene T. Co, Chief Sustainability Officer, VP of Communications & PR, P&G Greater China**, said that P&G sustainability is built into our work, not a separate “bolted on” activity. “It is embedded in how we do business across our operations, supply chain, and brands. We look at our sustainability strategy through the lens of impact at 3 levels:

1. reducing our own footprint;
2. enabling consumers to reduce their footprint when they use our products; and
3. helping scale solutions across industries.”

**Chen Zeng, Vice President, JD.com**, focused on the company's role as a supply chain-based technology and service provider: “JD exploits digital technology to integrate green development throughout its entire operation. We join hands with brands, partners and consumers to build sustainable consumption through low-carbon logistics, green consumption and recycling. We were the first in the industry to release the ‘Delivered with Original Package (DWOP)’ certification standards - driving the industry to reduce one-time packaging by 10 billion. We are also the first in the industry to deploy hydrogen-powered heavy-duty trucks on a large scale, while putting over 9,000 self-operated new energy vehicles into operation. By launching the ‘Green Impact’ to promote green consumption, JD.com has driven 66 million users to place orders on the JD platform in 2023, generating more than 122 million orders. The project has been upgraded in September this year to promote ‘carbon inclusive’, making it the first such project in the e-commerce scenario. More than 15 million old appliances and household products were recycled through trade-in programs. JD will adhere to the concept of sustainable development and work with upstream and downstream enterprises to jointly build climate-friendly and environmentally friendly new consumption.”



**David (Chun) Zhang, President, Oatly Greater China**, said OATLY promotes sustainable development through decarbonisation actions across the entire value chain, leading the dairy industry towards a more environmentally friendly and healthier direction: “In the practice of sustainable supply chain management, a series of measures have been implemented, including sustainable sourcing policies, localized production and operations, regenerative agriculture projects, and advocacy efforts throughout the value chain to reduce its climate footprint, which reflected in each liter of OATLY's Barista Oat Milk generating a climate footprint of only 0.60 kg of CO2 equivalent. Recently, OATLY obtained the first oat regenerative agriculture certification in China, and won the "Outstanding Case Award - Environmental Contribution" at the 2024 Sedex Supply Chain Awards, highlighting our strong commitment to sustainable agriculture and supply chain management.”

## **Bain & Company's Insights on Sustainability**

**Harry Morrison, Partner at Bain & Company**, introduced the latest report “The Visionary CEO's Guide to Sustainability 2024.” Morrison noted, “In China, 78% of consumers reported beginning to purchase sustainable products within the last five years, with about 64% expecting to increase their spending on such products. This shift is driven by technological advancements, changing consumer behaviour, and supportive policy, accelerating progress more quickly than initially predicted.

**Sophia Zou, Head of Bain's Greater China Energy Transition and Sustainability Practice**, highlighted, "The 7th CIIE highlights China's strong commitment to sustainable development, providing a crucial platform for businesses to accelerate green, low-carbon transformation. Companies should take a forward-thinking, practical approach to sustainability, balancing immediate performance with long-term strategic goals to stay competitive." She outlined four key strategies:

- *Prepare for long-term change*: Anticipate global shifts and invest in future-back strategies.
- *Focus on critical sustainability priorities*: Drive change where it matters most.
- *Build a strong business case*: Highlight financial benefits, focusing on ROI-positive initiatives.
- *Collaborate with stakeholders*: Partner with supply chains and policymakers to create end-to-end solutions.

## **Discussions on Green Transformation Practices**

**Yang Liu, Expert Partner at Bain & Company**, led the “Green Transformation Practices of Chinese Retail and Consumer Goods Enterprises” session, where executives from major companies such as Want Want Group; L'Oréal; Ele.me; Procter & Gamble; JD.com; and OATLY shared practical case studies. Liu remarked, “Companies can take the lead by aligning with consumer sustainability expectations, adapting business models, and enhancing collaboration throughout their value chains.”

## **Launch of The CGF China Green Transition Work**

**Yangying Xu, Greater China GM and The CGF Chief Representative**, elaborated on the CGF China Green Transition Working Group, which aligns global strategic priorities with local policies. “The group will evaluate the current state, develop a three-year action plan, and empower CGF members to pursue a value-driven path to net zero. This initiative fosters collaboration and growth toward a sustainable, low-carbon future,” Xu explained.