



THE LUXURY TRANSPARENCY AND TRACEABILITY INDEX

Roundtable Event Highlights and Outcomes

15 May 2023 – IMD, Lausanne, Switzerland





WELCOME ADDRESS BY:

Prof. Jean-Philippe Bonardi, Professor of Economics –
UNIL-HEC & Co-managing Director of the Enterprise for
Society Center (E4S) (Joint venture between UNIL-HEC, EPFL and IMD)

- www.E4S.center
- Collaboration & Partnership

E4S



ORIGINAL

IMD

Unil
UNIL | Université de Lausanne
HEC Lausanne

EPFL

PROGRAM OF THE DAY

10:30 - 11:00 **Registration & Coffee**

11:00 – 11:15 **Spirit of the day**

By Prof. Jean-Philippe Bonardi, Professor of Economics ,UNIL-HEC and Co-managing director of E4S
Welcome address

11:15 – 11:40 **Transparency & traceability in context**

Introduction by Prof. Stéphane J. G. Girod, Professor of Strategy and Organizational Innovation, IMD

Africa – Pioneering transparency & traceability

11:40 – 12:00 *Address by H.E. Wamkele Mene, Secretary General, African Continental Free Trade Area (AfCFTA) – by video conference*

12:00– 12:30 **Discussion: Opportunities & Potential of the AfCFTA**

Moderated by Hans Schwab, CEO & Co-founder, OriginAll

12:30 – 13:15 **Networking Lunch (buffet)**

Transparency & Traceability – The Changing Regulatory Environment

13:15 – 14:00 **The Changing Regulatory Environment**

By Julia Staunig, Senior Managing Director, TENEO
Corporate Sustainability Reporting Directive:
Introduction, overview and Q&A

14:00 – 14:30 **Roundtable: What does it mean for luxury brands?**

Moderated by Prof. Stéphane J. G. Girod, Professor of Strategy and Organizational Innovation, IMD

14:30 – 15:15 **Transparency & Traceability – Sectoral specificities**

Moderated by Prof. Felicitas Morhart, Professor of Marketing, UNIL, HEC & Founder of the Swiss Center for Luxury Research
Panel Discussion

15:15 – 15:30 **The Luxury Transparency & Traceability research project**

Presented by Margot Stuart, COO & Co-founder, OriginAll

15:30 – 15:45 **Closing words**

THREE LENSES

1. THE GEOGRAPHIC LENS: Traceability and transparency from the African perspective
Keynote speaker: His Excellency Wamkele Mene, Secretary General, African Continental Free Trade Area

2. THE REGULATORY LENS: Traceability and transparency in a tightening regulatory environment
Keynote speaker: Julia Stauning, Senior Managing Director, TENEO

3. THE SECTORAL LENS: Transparency and traceability in its industry context
Panel: Wella, ID Genève, Original



TRANSPARENCY & TRACEABILITY IN CONTEXT

Prof. Stéphane J.G. Girod, Professor of Strategy - IMD
Coordinator of IMD's Luxury 2050 Initiative

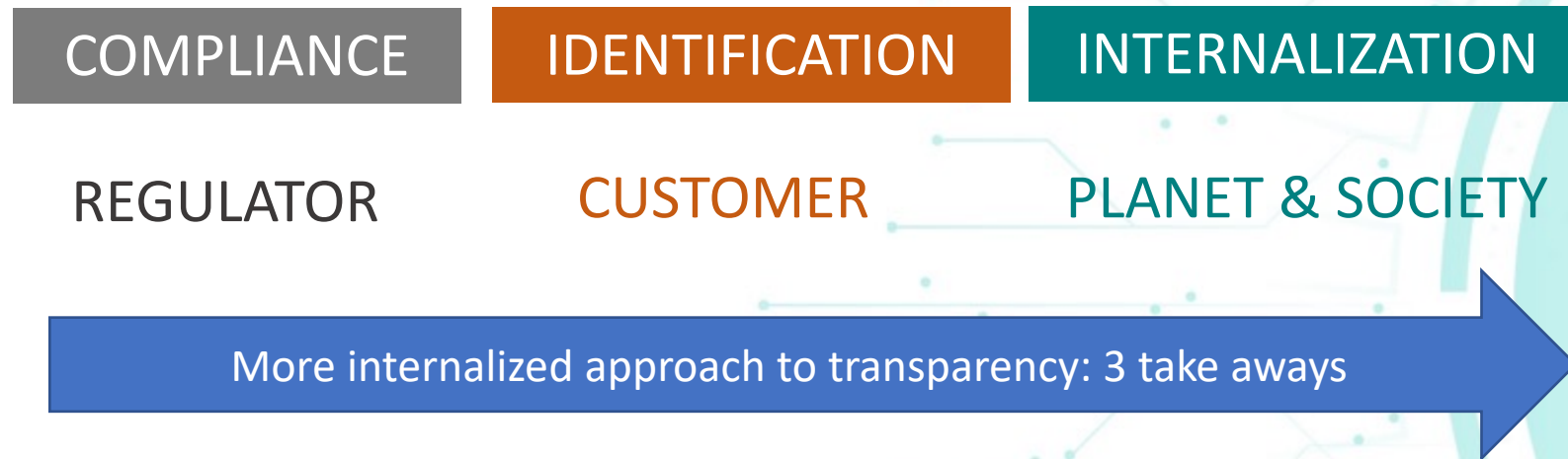
- **Why are we talking about transparency and traceability**
- **Digital revolution**
- **Counterfeits trend**
- **(De)Globalization and its travails**
- **Human activity comes at the expenses of the planet**
- **Environmental and social crisis**
- **Definitions**

ARE YOU MAKING THE RIGHT CHOICE?

- Understanding behaviors
- Social influence theory (*Herbert Kelman, 1958*)
- Luxury brands can approach transparency in three ways
- But consumers are sending mixed signals
- **CONFLICTING BRAND CONCEPTS**
(Torelli, Monga, Kaikati, 2012)
- **CONFLICTING CONSUMER VALUES**
(Furchheim, Martin, Morhart, 2020)
- Luxury brands can approach transparency in three ways
- The world's most sustainable company is also the most transparent
- For planet and society, the influencers are increasingly the NGOs
- See what happens if you are not transparent towards them... They provide alternatives

TAKE AWAYS: START YOUR JOURNEY TOWARDS AN INTERNALIZED APPROACH TO TRANSPARENCY

HOW LUXURY BRANDS APPROACH TRANSPARENCY



#1. Mindset shift: From cost and risks (losing) to competitiveness (winning)

#2. Strategic shift: From lobbying against regulation to embracing and inventing the next standards

#3. Cultural shift: From a culture of perfection to a culture of excellence

WHY SHOULD WE BE TRANSPARENT?

H.E. WAMKELE MENE

H.E. Wamkele Mene was elected by the 33rd Ordinary Session of the Assembly of Heads of States & Government of the African Union, to the position of Secretary-General of the **African Continental Free Trade Area (AfCFTA) Secretariat**.

- There is a tremendous opportunity for brands to engage with the AfCFTA Secretariat now and support the AfCFTA efforts in building a compliant, resilient market.
- With its current population of over 1.3 billion people expected to reach 2.5 billion by 2050, a projected middle class of 1.1 billion by 2060 and estimated \$ 7 Trillion consumer and business spending by 2030 brands can be part of the process and help design the path forward.



INDEX



AFRICA – PIONEERING TRANSPARENCY & TRACEABILITY

An exclusive and historic [partnership](#) to empower people to make better, safer product choices:



X



Our joint "AfCFTA Safe Product Initiative" will empower African citizens to make better, safer product choices. The Secretariat is calling upon all brands to provide as much information as possible about the features of their products, digitally verifiable or not, that can support responsible purchase decisions. The web and mobile platforms OriginAll has developed will incentivize consumers to use it as their main product reference source and create new means for brands to interact with consumers. Given the magnitude and far-reaching consequences of all issues directly linked to sub-standard, fake or illicitly traded products, we are confident that our initiative - with the appropriate brand support - will have consequential social and economic consequences for the African Continent.



SCAN TO VIEW

TRANSPARENCY & TRACEABILITY – THE CHANGING REGULATORY ENVIRONMENT

Julia Staunig, Senior Managing Director, TENEO

Transparency & Traceability:

The changing regulatory environment in the EU

- Setting the scene:
 - The politics behind the regulation
 - The European Green Deal, December 2019
 - Europe as a trailblazer on responsible business
- Europe at the forefront:
 - A flurry of non-financial transparency and traceability regulation
 - CSRD, CSDDD, Taxonomy
 - Corporate Sustainability Reporting Directive
 - What to disclose?



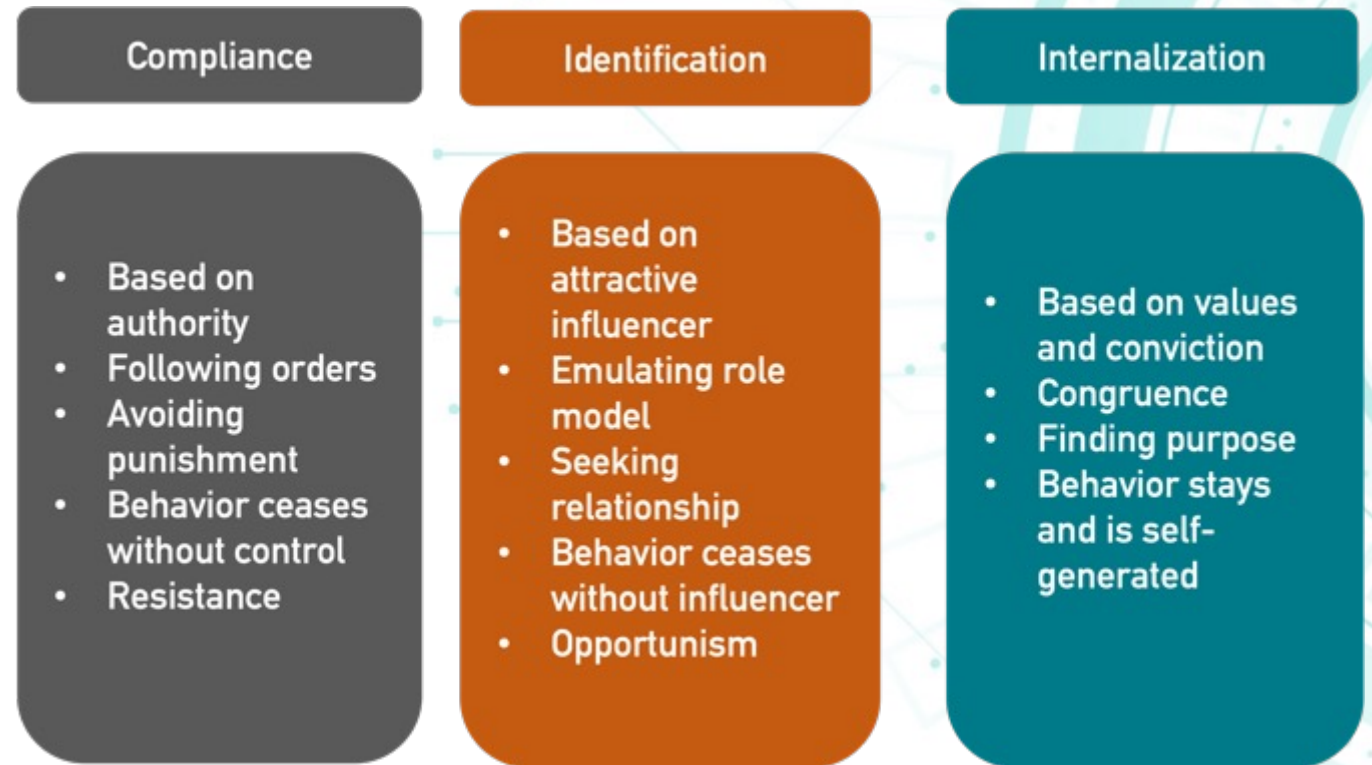
TRANSPARENCY & TRACEABILITY – THE CHANGING REGULATORY ENVIRONMENT



DISCUSSION: CHANGING REGULATIONS – IMPLICATIONS

- Can still be interpreted as Box-Checking -> Companies will have to decide how far to go & communicate.
- Will require additional resources -> Direct & indirect.
 - Administrative burden and costs can only go up but maybe AI could help -> How to leverage those, and
 - How to pool involvement of suppliers
- Tools – ways of collecting
- Where responsibility lies for Board & Investors?
- It might push the thinking on sustainability strategy

BEHAVIOR CHANGE IN THREE INTENSITIES (Kelman, 1958)



TRANSPARENCY & TRACEABILITY – SECTORAL SPECIFICITIES

PANEL DISCUSSION LED BY:

Prof. Felicitas Morhart,
Professor of Marketing, UNIL-HEC & Founder of the Swiss Center for Luxury Research (SCLR)



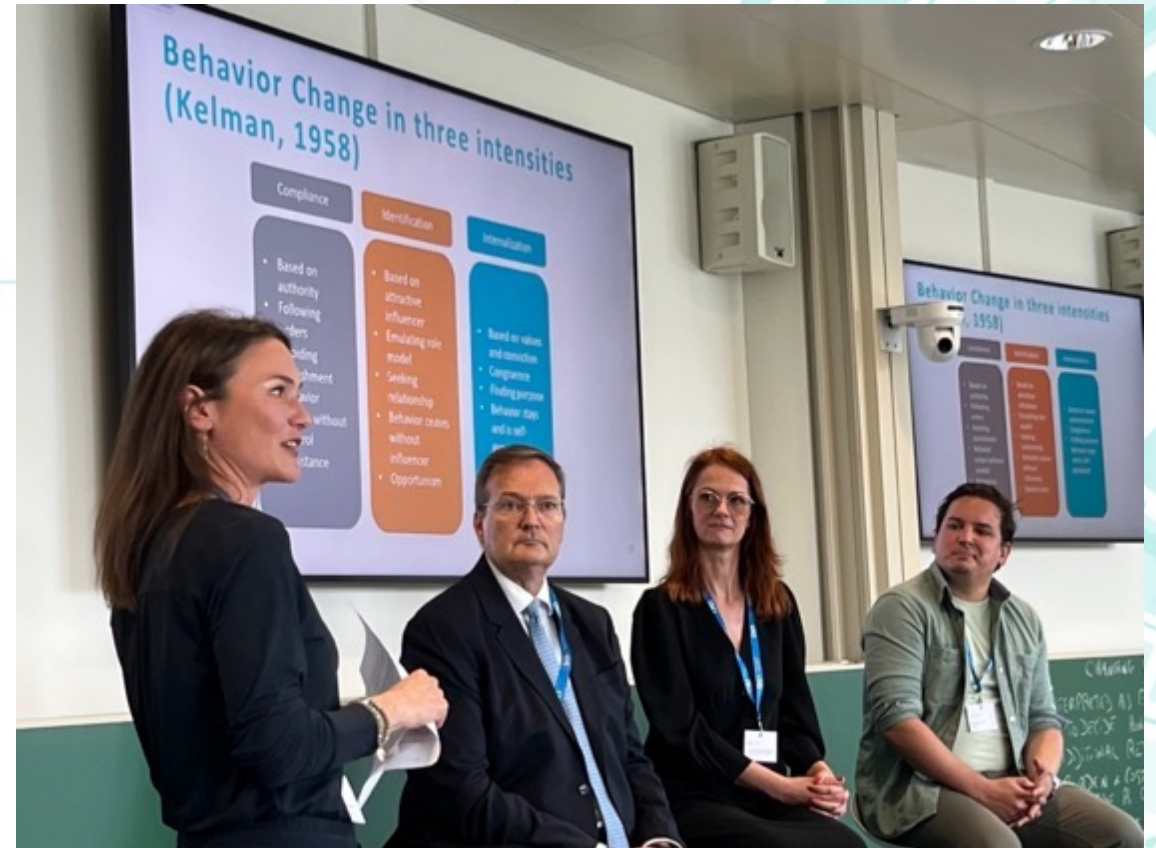
Ana Serbanovic Mendes, PhD - Sustainable Innovation Manager



Nicolas Freudiger, CEO & Founder



Hans J. Schwab, CEO & Co-Founder



TRANSPARENCY & TRACEABILITY – SECTORAL SPECIFICITIES

OUTCOMES:

- **Managerial** (doing things right before exposure; risk minimization) **versus entrepreneurial** (doing the right thing while acting fast; take risk of adjusting) approach to transparency.
- Luxury brands **cannot not take a political** stand; not taking a stand is a statement too; the question is how prominent does it need to be.
- Consumers need to build **empathy** towards brands to encourage them to engage sustainability without being perfect; calling out brands for the not-perfect sustainability initiatives is demotivating for companies.





swisscenterforluxuryresearch

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thetimeclub.ch



swisscenterforluxuryresearch #repost

Thank you @thetimeclub.ch your participation in the #luxurytopia competition

« Brand personification through political positioning" this is my idea of the future of luxury.

It is well established that it is risky for companies to interfere and to take position in the politic area. I believe in the opposite. In order to be more authentic and personify the brand, the company should take advantage of political topics and takes position on some subjects. Of course, this could represents a risk at first, but it is also an opportunity to build a true relationship with the consumer, and a community of people sharing the same values. Therefore, I consider the future of luxury of building a true an meaningful relationship with its customers through more concrete actions by taking position on politics subjects.

The picture aims to illustrate this problematic: The man represents the company hiding himself with caution behind his glasses, just as a humain being with no feelings and ideas, to better focus on selling the luxury product, pushing it in front of the picture. At the same time, the fist embodies political subjects the brand could raise through the marketing efforts made to sell the luxury item. »

15. Juli 2021 · Übersetzung anzeigen

THE LUXURY TRANSPARENCY & TRACEABILITY RESEARCH PROJECT

Measuring how effectively luxury brands use technology to increase transparency and traceability in ways that create stakeholder value and influences consumer perception of luxury brands.

ACADEMIA

P-P-P led by Academia



Enable and increase transparency and traceability



Sustainable source of verified information



Create stakeholder value



Empowerment tool for luxury consumers to make informed product choices



Spread awareness

STATUS

A PHASED APPROACH

Year 1

- Data Collection Platform
 - Transparency initiatives
 - Technology Partners
- Technology Report
- 2 Luxury Roundtables

Year2

- Research & Methodology
- Launch of the INDEX Platform
 - www.ORIGINALLUXURY.org - Public website
 - Reports
- Technology Report
- Reporting Platform
- 2 Luxury Roundtables

Year 3

- INDEX Platform
- Technology Report
- Reporting Platform
- Luxury Summit & Roundtables
- Center of Excellence for Luxury Technology

E4S Funding
• February 2022

1st Luxury
Roundtable
• 31 May 2022

Data
Collection
Portal
• December 2022

2nd Luxury
Roundtable
• 15 May 2023

Technology
Report
• 15 May 2023

MILESTONES

DATA COLLECTION PORTAL

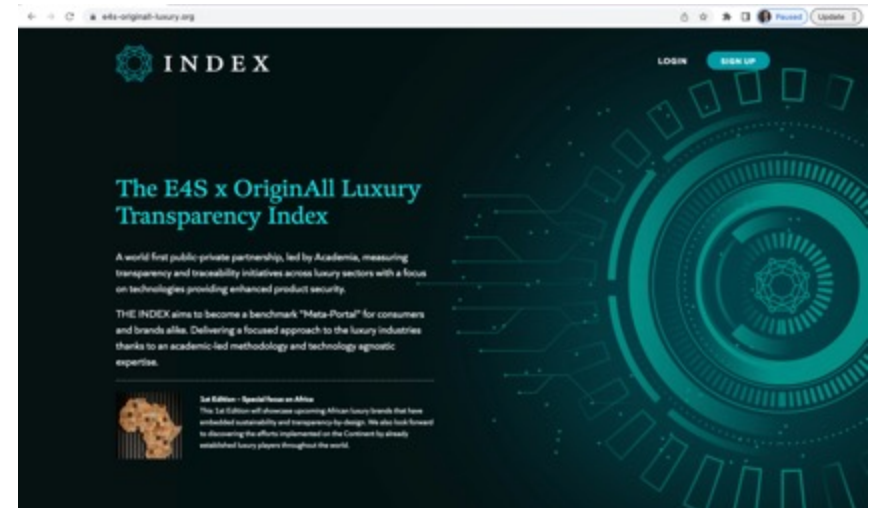
www.e4s-originall-luxury.org

To date:

49 Luxury Brands

12 Tech companies

6 Contributors

A screenshot of the 'LUXURY BRANDS SIGN-UP' form. The form is titled 'Step 1: Account Information' and includes a note: 'Please provide us with information on your luxury brand. Required fields are marked with (*)'. The form is divided into three sections: 'Company Contact Person' with fields for Surname, First Name, Last Name, and Title/Designation; 'Company Information' with fields for Company Name, Company Street Address, Country, State / Region / Province, City, and ZIP / Postal Code; and 'Account Information' with fields for Email Address and Confirm Email Address. A 'SIGN UP' button is at the bottom right.

1st LUXURY ROUNDTABLE 31 May 2022, IMD-Lausanne

Presenters:

Prof. Jean-Philippe Bonardi, Enterprise for Society Center (E4S)

Prof. Felicitas Morhart, UNIL-HEC & SCLR

Prof. Stéphane J.G. Girod, IMD

Margot Stuart, Co-founder & COO, OriginAll

Roohi Khan, Project Director, OriginAll

13 Brands

7 Tech companies

7 Consumer representatives



2nd LUXURY ROUNDTABLE 15 May 2023, IMD-Lausanne

Presenters:

Prof. Jean-Philippe Bonardi, Enterprise for Society Center (E4S)

Prof. Felicitas Morhart, UNIL-HEC & SCLR

Prof. Stéphane J.G. Girod, IMD

Margot Stuart, Co-founder & COO, OriginAll

15 Brands

12 Tech companies

5 Contributors

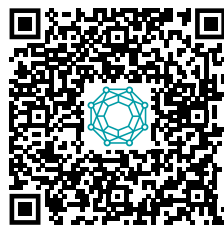
2 Guest Speakers



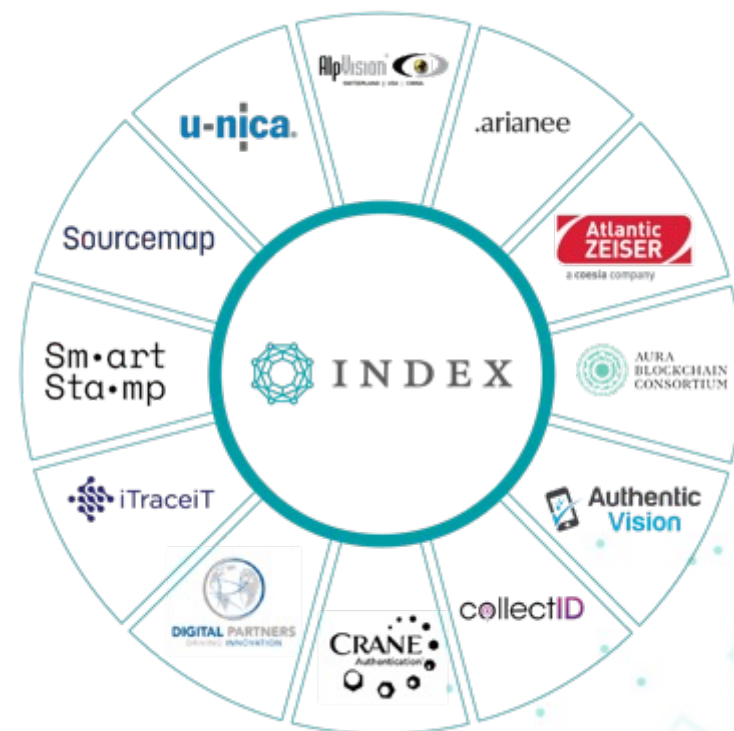
TECHNOLOGY FOR TRANSPARENCY

12 Tech companies driving digital innovation in the luxury industries

- Digital report
- Updated every 6 months
- Next iteration – Expanded Insight/Learning Tool:
 - 1st steps in assessing the impact of technologies for the luxury industry.
 - Luxury Brand best practices and use cases
 - Call for recommendations/requests



SCAN TO VIEW



FOR YOUR ACTION

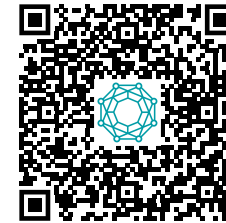
PLEASE TAKE OUR SURVEY

<https://www.surveylegend.com/s/4ywy>

SIGN-UP AND COMPLETE YOUR PROFILE ON
THE DATA COLLECTION PORTAL

<http://www.e4s-original-luxury.org/>

TECHNOLOGY FOR TRANSPARENCY



STATE OF THE ILLICIT ECONOMY –
FOCUS ON AFRICA





LET'S CO-CREATE!

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