Annual Report 2009-2010

Interdependence and action – these are the guiding principles for GS1 and its 108 Member Organisations (MOs) around the world.

Each GS1 MO has an unparalleled understanding of local needs and concerns.

And yet, as an interdependent federation with a sense of community and a common focus, we also work together on a variety of shared goals.

At GS1, we are all travelling in the same direction towards the same destination.

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LÄKARE

Letter from the Vice Chairman & Acting Chairman

In February every year, hundreds of team members from the global GS1 community gather together at the annual event we call our Global Forum. This past year's Forum was held under the theme of "From vision to action, united for new opportunities."

Actions and opportunities

That theme is an excellent description of the fine work that has been accomplished at GS1 these last twelve months. In a challenging economic context, GS1 continues to transform its vision into **concrete actions** that benefit businesses and improve peoples' lives; and continues to find **new opportunities** to allow information to move efficiently and securely across the supply chain.

Making a difference

When I looked at the accomplishments of the year, I quickly realised that there were far too many success stories to be able to list them all. GS1 has made a real difference in many industries. The teams that work with the **Retail & Consumer Goods Sector**, for instance, made great advances with food traceability, standards-based identification for fresh food, electronic article surveillance and extended packaging. Our ongoing efforts with the **Global Healthcare Sector** have led to the development of AIDC Application Standards suitable for 90% of all healthcare products, as well as to the addition of healthcare attributes enabling data synchronisation. Our **Global Data Synchronisation Network** is being used in more than 80 different countries, and now has 4.8 million GTINs and over 23,000 GLNs in its Global Registry. Furthermore, we're seeing good progress with **data quality** programs. The historical core of our offer, **Bar Codes and Identification**, continues to be extremely strong; and this year we saw real results in the alignment of bar code and RFID specifications and standards. Our **eCom** standards continue to have increased adoption; indeed, more than half of GS1 Member Organisations are implementing eCom standards in their countries.

EPCglobal also had a productive year of concrete actions, including the completion of identifying requirement for discovery, and a number of live implementations of removable RFID tags for electronic article surveillance.

One million visits

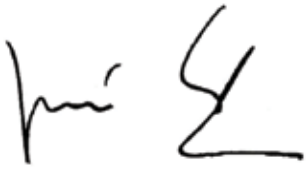
In another sure sign of our success, the GS1 global website at www.gs1.org had over 1 million visits in 2009. This figure is an increase over 20% compared to 2008. Visitors also spent more time on the site than before.

Strategic alliances

Our collaborative work could not be as useful without the joint efforts we make with other industry associations and groups. In the past year, we have strengthened our working relationships with many such organisations, including The Consumer Goods Forum, the GSMA, ISO, and the ITU, among others.

Transforming the vision

Many companies and organisations have a vision statement; I am honoured to serve as Vice Chairman to an organisation like GS1 that has taken its vision and transformed it again and again into actions and opportunities. I congratulate all GS1 teams around the world on the fine year, and I look forward to seeing the work they will accomplish in the year ahead.



José Lopez
Executive Vice President Operations & GLOBE
Nestlé S.A.
and
Vice Chairman and Acting Chairman
GS1

Letter from the Vice Chairman & Chairman Emeritus

I've often challenged the GS1 Organisation to recognise and appreciate its uniqueness. What they have accomplished – and continue to work towards – is truly remarkable! There are few, if any, organisations that are as diverse as GS1. GS1 has found success in embracing diversity and understanding differences while seeking common ground.

Action expresses priorities

We've all heard the saying: "Actions speak louder than words." Our actions express our priorities; and our actions should represent the elements of our strategy.

Our actions should incorporate our core **values**. As reflected in our **vision**, what we do should be relevant to people's lives. Our actions must remain consistent with our **basic beliefs** and support our overall strategy.

If we are committed to these principles, we can achieve a global community that Sees **One Vision**, Speaks with **One Voice** about that Vision, and most importantly Acts as **One Organisation** consistent with that Vision!

United action strengthens our core competencies

United action results in doing things better than anyone else. United action strengthens our Core Competencies. And it is our Core Competencies that exemplify the impact of being neutral, user-driven and user-governed.

We must continue to effectively manage communities and the development of global standards better than anyone else.

We must preserve the genesis of our organisation by protecting our system of unambiguous numbers that identify goods, services, assets and locations in the value chain.

We must leverage the expertise and resources we have around the world to expand our global reach.

And although all of our Core Competencies are important, in these challenging times, we need to appreciate the value of our ability to connect and communicate across cultures.

United is making sure everything we do addresses one or more of our **strategic issues**.

Strategic Focus – developing focus requires that we not only identify the things we will do, it also requires agreeing on what we will stop doing.

Operational Improvement – once we are aligned on priorities and focused on those priorities, we must then consider how we deliver on those priorities.

- If you make stronger connections and collaborate more intensely with your co-workers, everyone wins!
- If you reach out and inspire more people throughout your global network, your productivity skyrockets!
- If you keep your promises, you gain trust!
- If your interactions with others deliver more meaningful results, you generate a loyalty that brings them back again and again.

We must do the right things and we must do things right!

Winston Churchill once said: "The farther one looks back, the farther one can see ahead." The GS1 history is rich with accomplishments and reflections on the journey will guide our future.

Thank you for all you do to see, speak, and act as one.

Tim Smucker
Chairman and Co-Chief Executive Officer
The J.M. Smucker Company
and
Vice Chairman & Chairman Emeritus
GS1

Letter from the President & Chief Executive Officer

A new long-term strategy and a more effective organisation

This past year we have completed work on our Breakthrough Projects. We have set a new long-term strategy that we are calling "GS1 2020." Our Organisational Effectiveness plan has been implemented, making the GS1 Global Office a single, cohesive organisation. We have also made important changes to our processes, our principles of operation and the way our departments interact.

Looking towards 2020

Our vision for the year 2020 has now been defined:

Firstly, we must leverage the powerful and robust GS1 System that is at the core of all of GS1's activities. Many possibilities exist for GS1's identification system to be even more extensively used to help us fulfill our mission.

Secondly, we must provide tools to help organisations enable data quality. A recent study by GS1 UK showed that inaccurate product data is costing the UK grocery sector over £1 billion per year. GS1 standards and infrastructure can allow companies to maintain and share high quality data about their products and processes.

Thirdly, we must enable full visibility of the supply chain. As supply chains become increasingly global and complex, the need to provide full visibility over products and other assets becomes essential. Visibility enables a range of benefits from tracking and tracing to food safety, recall, anti-counterfeiting and product authentication.

Finally, we must extend our business-to-business standards to connect people with companies. More and more consumers are connecting to businesses via the Internet and mobile phones. By helping companies provide trusted data about their products to these consumers, GS1 can allow them to take full advantage of these new technologies.

Thanks to this approach, organisations in the retail supply chain, in healthcare, in transport & logistics activities and in many other industry sectors across the world will be able to benefit from global GS1 standards, solutions and services for another 30 years and more.

New organisation: Many benefits already

We have already achieved a range of benefits from this more integrated approach. Standards development is more efficient, effective, and consistent, and we're engaging with industry sectors in a way that is more holistic and business solutions-focused, rather than technology-focused. We have improved our public policy outreach, helping us build credibility. Our research agenda is now much more cohesive and comprehensive. Most importantly, we have focused the way we support our Member Organisations, so that they can provide even better support to their users. Our goal is to ensure the integrity of the GS1 System, now and into the future.

The hard work of so many

Our teams of dedicated employees at the Global Office and at GS1 Member Organisations around the world continue to do their best, every day. Everything we have achieved this year is built upon their hard work. I am also grateful for the guidance that our Vice Chairmen, José Lopez and Tim Smucker, provided as we worked to fulfill our mission.

The year ahead promises to be another important one for the participants in the global supply chain, but I know that they can count on the dedication of the people of GS1.

Miguel A. Lopera
President & Chief Executive Officer
GS1

GS1 Industry Engagement

GS1 believes that solutions designed for any industry sector must provide responses to real business needs. Our Industry Engagement activities offer global user communities the opportunity to voluntarily come together to strengthen their collaboration while at the same time improving the GS1 System and driving efficiencies in their supply chains.

Chris Adcock
President, GS1 Industry Engagement
President, EPCglobal, Inc.

The historical core of our work

The history of GS1 tells the story of why the retail supply chain is so important to us: In September 1969, a group of members of the Grocery Manufacturers' of America (GMA) Association and the National Association of Food Chains met to express a need for some sort of cross-industry product code for items on sale in grocery stores. An ad hoc committee on what was then called a Uniform Grocery Product Code was formed in August of the following year and agreed to work together to create a standard code for identifying products. The Uniform Grocery Product Code Council (UGPCC) was formed in 1972 to oversee and administrate this code.

The bar code design – today so familiar to people across the globe – was chosen by this Council in 1973, and the very first bar code was scanned at the checkout of a Marsh's Supermarket in Troy, Ohio (USA) on 26 June 1974.

More than bar codes

Today, of course, GS1 standards are much more than the bar code and include standards for electronic business messaging, data synchronisation and RFID-based identification and solutions to a range of business issues.

To create these standards, GS1 brings together all stakeholders in the supply chain – manufacturers, distributors, retailers, transporters, customs organisations, software developers, local and international regulatory authorities, and more. These companies, who may in fact have conflicting business interests, work together under our leadership to agree upon standards that make the supply chain faster, more effective, less complex and less costly.

A range of key initiatives

Today, GS1 is working with the retail sector on a number of key initiatives: for example, GS1 DataBar, which allows more information to be stored in less space and expands barcoding to categories such as fresh foods; or EPCglobal RFID technology, which is revolutionising the way that products are tracked though the supply chain and transforming product identification into product visibility.

Cross-industry collaborations

At a global level, GS1 collaborates actively with the main associations that gather Fast Moving Consumer Goods and Consumer Packaged Goods companies together, including the Consumer Goods Forum (TCGF), the Grocery Manufacturer's Association (GMA), the Food Marketing Institute (FMI), and Efficient Consumer Response (ECR). All of these relationships help us better identify and thus more efficiently strive to meet the needs of trading partners in the retail sector.

An important year

The past twelve months were important ones for our work with the retail supply chain. One key result of our "Organisational Effectiveness" breakthrough project was the formalisation of industry-focused teams at our Global Office, including a team entirely devoted to the retail sector. But even more significantly, we launched a unique and dedicated Retail Value Chain Industry User Group (RVC IUG). The group's mission and charter have been completed, its co-chairs have been selected and a complete picture was compiled of all current retail-related activities across GS1. This in turn led to the design of the group's structure and initial work on a comprehensive roadmap for the group's activities in the months and years ahead.

"The Retail Value Chain Industry User Group is working on strategic planning of retail related initiatives, mobile commerce, packaging, mitigation, supply chain process improvements, food chain and other key aspects of retail. We are also very much focused on helping members to implement GS1 standards and in engaging with other standards and trade bodies, such as TCGF, to ensure complimentary efforts. We encourage companies interested in these areas to join us and be part of the dialogue."

Antonio SALTO - Kraft Foods
Dr. Gerd WOLFRAM - METRO Group
Co-Chairs
GS1 Retail Supply Chain Industry User Group

More than supermarkets

The retail supply chain includes more than just supermarkets and grocery stores, of course. In 2010, GS1 issued Implementation Guidelines for the use of RFID and GS1 standards as part of Electronic Article Surveillance (EAS) activities; this is when RFID tags are used to help prevent shoplifting in retail stores such as clothing boutiques. Indeed, a number of interesting trials have been undertaken by the retail industry on item-level tagging of apparel, with clear advantages being demonstrated in efficiency and inventory management. Additionally, following the publication of Implementation Guidelines on the use of RFID and GS1 standards in the supply chains of the retail consumer electronics sector, work is currently underway to integrate our consumer electronics group under the umbrella of the Retail Value Chain Industry User Group.

Join us!

GS1 engages with the retail sector in order to understand their needs for standards, services and solutions for the improvement of industry processes. We cannot accomplish our work properly without the active input of representatives from all parts of the retail supply chain and all regions of the globe. Be part of this important activity – join our Retail Supply Chain Industry User Group (RSC IUG) and make sure your company's specific needs are heard. Find out more information at www.gs1.org/gsmp/community/working_groups in the "IE Groups" section.

Another strong year for GS1 Healthcare

GS1 has been working with the global healthcare community for five years via our voluntary, global healthcare user group: GS1 Healthcare. This group continues to successfully lead the healthcare sector to the development and deployment of global standards, by bringing together experts in healthcare to enhance patient safety and supply chain efficiencies. GS1 Healthcare user groups, both local and global, are recognised as an open and neutral source for regulatory agencies and other stakeholders who are seeking input and direction for global standards in healthcare.

Milestones reached: New standards available

More than 10,000 hours of formal conference calls and physical meetings and countless hours of offline discussions, brainstorming and vetting have helped to reach some important milestones. In addition to the **Global Traceability Standard for Healthcare**, which was ratified last year, the following global standards for the healthcare sector are now also available:

Product Identification Standard for Medical Products

This new Product Identification Standard provides industry stakeholders with a common set of data and data carriers for medical products at every packaging level, including specific guidance on the selection and use of product identification keys, additional product and production data (for example; lot number, expiration date, and/or serial number [where applicable]), and appropriate data carriers. Sector-wide implementation of Automatic Identification and Data Capture (AIDC) systems will improve patient safety, including reducing medication errors, fighting counterfeiting and enabling effective product recalls and adverse event reporting. It will also help remove inefficiencies throughout the healthcare supply chain.

Product Identification Standard for Small Instruments

This global standard for direct part marking of small surgical instruments specifically covers AIDC marking of surgical instruments to enable traceability throughout the instrument reprocessing cycle, and in particular, as instruments move to and from the sterilisation department in hospitals or sterilisation centres.

> "The global, open and neutral standards developed through GS1 Healthcare bring proven benefits to the healthcare supply chain and to the safety of the patients we're all treating. The time has come for broad implementation of these standards."
>
> **Dr. Ajit SHETTY**
> Chairman Board of Directors, Janssen Pharmaceutica N.V., Beerse, Belgium
> Corporate Vice President Enterprise Supply Chain, Johnson & Johnson, New Brunswick, NY, USA

Global data synchronisation in Healthcare

Excellent work continues to be achieved by the Global Data Synchronisation Network (GDSN) Implementation Initiative, which was launched to accelerate the adoption of global data synchronisation in healthcare. More leading healthcare organisations have joined the initiative, including representatives from healthcare providers, group purchasing organisations, pharmacies and distributors on the "demand" side, and participants from a dozen companies from the "supply" side as well. The efforts have already resulted in more than 70 live GDSN connections between partners in the healthcare supply chain. Additionally, based on the experiences of the participants, a sub-work team has developed a report to assist other healthcare organisations in deploying GDSN.

To support the immediate implementation of the Global Data Synchronisation Network (GDSN) in healthcare and allow the proper registration of any healthcare product in GDSN, GS1 has released **two new Global Product Classification (GPC) brick codes**, one for drugs and another one for medical devices.

Healthcare reform creates needs and opportunities

In light of a variety of concerns about patient safety and about rapidly escalating healthcare costs, governments worldwide are taking action and important policy changes are on the way. Some of them will have a direct impact on the healthcare supply chain. Various authorities worldwide have developed, or are developing, regulations requiring automatic identification, serialisation and traceability systems in healthcare to improve patient safety – including the European Commission, the US Food and Drug Administration, ANVISA (the National Health Surveillance Agency in Brazil), the Turkish Ministry of Health, the Chinese SFDA and the Indian Ministry of Health and Family Welfare. GS1 standards can provide a global framework that takes into account all these kinds of specific requirements for medical products.

Addressing public issues

One important part of our work is accomplished by our **Public Policy Work Group**, which exists in order to provide strategic leadership in the conduct and interaction with global public policy makers and government authorities, and to influence the movement towards harmonisation of product identification, data synchronisation and traceability requirements in alignment with GS1 Global Standards. As part of its outreach and communication efforts, the Public Policy team has developed position statements, fact sheets and a number of official responses to national regulatory bodies. The work group has also developed the Public Policy Database, a comprehensive, online repository of regulatory and user requirements worldwide.

The year ahead: Driving implementation

Although more standards development work is still underway, today, with GS1 standards now in place for over 90% of all medical products, the focus has switched from standards development to standards implementation.

The extensive network of GS1 Member Organisations (MOs) will lead that charge, driving adoption in their local healthcare community and supporting the implementation of these standards in healthcare. As of August 2010, 21 GS1 MOs have already established a local user group, bringing together all local supply chain stakeholders and helping them boost patient safety and efficiency.

Join the work and be part of this important activity. Read more about GS1 Healthcare's activities, accomplishments, work groups and user groups at www.gs1.org/healthcare.

In particular, be sure to download the 2010 edition of the **GS1 Healthcare Reference Book**, a compendium of information on the adoption and implementation of GS1 global standards in the healthcare supply chain. In it, experts from different countries and different backgrounds share their insights on important regulatory and industry developments, adoption initiatives, lessons learnt from implementation projects and more.

Download our brochure of healthcare sector case studies from www.gs1.org/ healthcare/ library.

Transport & Logistics

Connecting the supply chain

Because they "connect" business partners in a supply chain in the most elementary sense of the word, Transport and Logistics (T&L) activities are quickly becoming some of the most important aspects of supply chain management. They are complex, and require interactions within and between many of the traditional functional areas of a given enterprise and its partners, suppliers and customers. Furthermore, in recent years T&L activities have become very high-tech: a variety of software applications and equipment are now an integral part of the movement of goods from the material supplier to the manufacturer to the end customer. The use of these sorts of state-of-the-art technologies has revolutionised the way logistics and transportation activities are organised and conducted.

A holistic view

In today's truly global supply chain, companies can no longer focus only on their own operations. Long-term success is becoming increasingly dependent on the actions and decisions of enterprises both upstream and downstream. The use of the GS1 System of standards provides companies with increased visibility and interoperability of their operations, and helps to eliminate duplicative efforts that T&L companies might face when attempting to cater to the different needs and requirements of their customers. In this way, GS1 enables a more holistic view of the supply chain, giving T&L companies opportunities to compete not on basic business processes, but instead on their own unique added value and differentiating qualities.

"GS1 Standards are the foundation for the VICS Empty Miles Service, which allows members to match empty trailers with other pre-qualified shippers or carriers that can use the space for shipments. Users contribute to their companies' business goals all while elevating the collective focus of the transportation industry to significantly reduce CO_2 emissions and limit the impact of empty miles on the highway infrastructure."

Joe Andraski
President & Chief Executive Officer
VICS

An integrated approach

The GS1 Transport & Logistics team has spent much of the past year working on a fully integrated approach to offer GS1 standards adapted for T&L companies. A dedicated new working group – the GS1 Transport and Logistics Industry User Group (IUG) – was created, encompassing representatives from the former EPC TLS group and the former GS1 Logistics Forum, as well as from GS1 Member Organisations that are particularly active in the T&L sector.

The right mix

One size does not fit all in this sector; one standard or one data carrier cannot suit all needs. That is why we have put an increased emphasis on providing T&L companies with the proper mix of standards and carriers (including bar codes and EPC/RFID tags) via an integrated approach that can be smoothly adapted and adjusted to meet specific requirements.

Using information instead of hunting for it

With GS1 Standards as the basis for their operations and services, transportation and logistics teams can standardise information and automate its collection – leaving them more time to focus on how to use

information rather than how to get information. With GS1's voluntary, user-designed standards, companies in the transportation and logistics sector can work more efficiently, more economically, more sustainably and more competitively.

Collaborating on common goals

GS1 works actively to partner and collaborate with industry associations and organisations, to ensure that our work serves sector-wide objectives and meets already-identified needs. For several years now, we have worked closely with the **World Customs Organization** (WCO) and national Customs administrations on pilot projects designed to improve the predictability, security, compliance and traceability of cross-border shipments. In the UK, some projects were driven in collaboration with the **Wine and Spirits Trade Association**, which has played a focal role in the industry for many years. We have also worked closely with **ISO** to make sure that our standards are suitably compatible with theirs.

Working with B.I.C. on container transport

We are proud to have recently added yet another international organisation to the list of partners with whom we actively collaborate. In April 2010, GS1 and the **Bureau International des Containers et du Transport Intermodal** (B.I.C.) signed a Memorandum of Understanding. B.I.C. is a non-profit organisation that oversees and administers a global system for allocating and managing identification codes (BIC-CODES) used in international container transport. B.I.C. and GS1 will cooperate on the harmonisation of supply chain standards for freight, transport and logistics and strive to ensure that future standards are open and serve the needs of the industry. Our collaboration also intends to make sure that our efforts are complementary and do not overlap.

Progress on Logistics Interoperability Model

Visibility and interoperability in transportation and warehousing: these are goals long sought by our community, and ones that can only be achieved through business process alignment and improvement. This is the work of the Logistics Interoperability Model. A T&L work group is enabling this with communication standards for which the requirements have already been defined. The resulting standards will be part of Major Release 3.0 of GS1 XML coming next year. Read more about GS1 eCom on pages 26-27.

Many projects live today

Many companies have already seen that the benefits of working with GS1 standards include improved efficiency, increased visibility of the flow of goods and shipments, more efficient handling and inventory management, increased security of distribution, faster operations, and smoother exchanges with Customs and other government agencies.

The year ahead

In the months to come, we will continue working to increase awareness and promote adoption of the GS1 System in the T&L sector. Through the GS1 Global Standards Management Process, we will pursue our efforts to develop new standards and to enhance existing standards and services so they better suit the specific needs of this industry. We will also contribute to regional activities, including a number of projects sponsored by the European Union and others in the Asia-Pacific area.

Join us!

We need your participation to ensure our work meets your needs. Join the Transport and Logistics Industry User Group (IUG), the Logistics eCom working group or any of the other GSMP working groups related to your particular field of interest or expertise. Read more at www.gs1.org/gsmp/community/working_groups

Download our brochure of T&L sector case studies from www.gs1.org/transportlogistics

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GS1 Standards & System Development

GS1 Standards & System Development provides a single integrated design and development process across GS1. Our methodology guarantees that robust, stable and timely solutions arrive at the end of the production chain, and it assures that users' needs have been met when a standard is ready for release and implementation by the community.

Sally Herbert
President, GS1 Standards & System Development
President, GS1 GDSN Inc.

GS1 GSMP: Global Standards Management Process

Standardisation on a global basis

Delivering standards in an open, global, collaborative environment requires a careful methodology that guarantees a robust, stable and timely solution at the end of the "production chain." The GS1 Global Standards Management Process, or GSMP, provides just these sorts of comprehensive methods and rules, allowing the user community and industry groups to express their needs and join in the creation of globally agreed-upon standards and guidelines.

The New GSMP: An integration of GSMP and EPC

The former GSMP and the previous EPC standards development process shared a common mission: To lead the global community in the development of global standards to improve the efficiency and security of the supply chain. Joining these two standards processes together into one has benefitted GS1 users at large who can now work one way to enhance the full GS1 portfolio of standards, including BarCodes & Identification, Electronic Product Code (EPC), Global Data Synchronisation Network (GDSN), eCom (and EANCOM), Global Product Classification (GPC) and Data Accuracy.

The new process incorporates the best of breed from both processes: **an industry-driven engagement model** as mastered by EPCglobal, to bring community needs into the standards process; and a committee structure similar to that of the earlier iteration of GSMP, with standing bodies handling maintenance Change Requests and ad-hoc work groups handling new development Change Requests.

The underlying principles of the GSMP are the very foundation upon which all of our work is done: **openness, transparency, user-driven, and global applicability,** made possible by consensus, stakeholder participation and voting.

Key changes to the GSMP process

A renewed focus on the **"Statement of Business Need"** now forms the basis of everything that follows in the standards development process, ensuring clarity to the problem being solved. In deployment, the process delivers a comprehensive output inclusive of support materials, modifications to certification programs and services and a marketing-communication plan to assure smooth transition to implementation via GS1's network of Member Organisations.

> "GS1's efforts to streamline standards development through a new integrated organisation are laudable. They have engaged all types of community members, from end users to solution providers, and through a collaborative process they have shaped a new GS1 that will better serve the community."
>
> **Steve Winkler**
> Office of the CTO
> SAP

A year of significant accomplishments

It is, as always, impossible to list all of the work done by the hundreds of active members of the GSMP. Some of the year's major achievements include:

- Release of GS1 General Specifications version 10
- Application standards for healthcare and small medical instrument marking
- New Global Product Classification (GPC) bricks which expand classification in the meat and poultry industry and the consumer electronics industry
- GDSN Maintenance Release 4 which supports hazardous materials, sustainability, healthcare and consumer electronics
- Approval of 'Modular Item,' providing a more flexible and context-specific GDSN architecture for the future
- Delivery of the draft GS1–UN/CEFACT Invoice Profile
- Price support in GS1 eCom
- Tag Data Standard 1.5, ratified by the EPCglobal Board in August
- Certification Profile Standard 2.0, ratified by the EPCglobal Board in June

GSMP 4 Step Process

The Statement of Business Need is the first step in the 4-step process of developing a GS1 Standard. Learn more at www.gs1.org/gsmp

- Lower Level Reader Protocol Standard 1.1 is nearly complete all its process steps and is headed towards the EPCglobal Board for Ratification in the fall of 2010
- Finalised requirements for a federated Object Naming Service (ONS) where potentially each GS1 Member Organisation can provide a service similar to our current centralised ONS

Join us

The success of the GS1 Standards Team depends entirely on the energy, contributions and passion of its valued community members. Only by working together can we bring full integration of our processes and continued development of the GS1 System. Join us! Read all about the GS1 Global Standards Management Process and how your company can become of part of it at www.gs1.org/gsmp. You will also find an archive of our weekly communication updates and our quarterly newsletters in the "News & Events" section.

GS1 Intellectual Property Policy

GS1's new Intellectual Property Policy

As part of the new Global Standards Management Process (GSMP) that was officially launched in April 2010, GS1 has initiated a new Intellectual Property (IP) Policy.

IP plays an important role in a broad range of areas, including science, technology, literature, the arts, and today even Internet applications, healthcare sector solutions and more.

As part of its Standards and System Development activities, GS1 has a set of Work Groups in which voluntary participants define and specify business requirements, processes, and specifications. Many patents either already exist or are being filed today in these areas. As the world's premier global organisation for neutral, open standards in the supply chain, it is our role to protect our community of users and their efforts and investments, to the best of our ability. Our new IP Policy is a key part of that effort.

Simply sign the GS1 IP Policy to participate in new GSMP Work Groups

Since 19 April 2010, any company wishing to participate in new GSMP Work Groups must sign the GS1 IP Policy and Opt-In Agreement. Companies that have already signed the EPCglobal IP Policy or the MobileCom IP Policy need only to sign an Acknowledgement Form and applicable Opt-In Agreement.

GS1 members who sign the IP Policy receive a royalty-free licence to Necessary Claims that cover requirements of GS1 standards as well as the benefits of the safe haven of the Intellectual Property Policy. These companies also have early access to GS1 standards and they can participate in the standards development process that allows them to shape and contribute to the development of GS1 standards.

The GS1 IP Policy is not a broad policy requiring disclosure of all intellectual property owned by a participant, nor does signing the GS1 IP Policy give a blanket license to a company's patent portfolio. Only Necessary Claims of IP are covered by the Policy: GS1's goal is to provide royalty-free licensing on required features or functions in a Specification.

Visit the online resource library

To make it easy to understand what must be signed so that companies may participate in new GS1 GSMP Work Groups, we have created an online Resource Library with information, background material and FAQs (Frequently Asked Questions). Organisations can read and e-sign all GS1 IP Policy documents on the site, as well.

Visit the GS1 IP Policy Resource Library at www.gs1.org/ip

GS1 Products & Solutions

GS1 Products & Solutions are business-focused rather than technology-focused. They leverage the GS1 System of neutral global standards to reduce cost and complexity and to enable interoperability across an industry and across supply chains. Our work also includes implementation guidance, webinars, training, newsletters, bulletins and more.

Automatic Identification & Data Capture

Where supply chains meet consumers

Automatic identification and data capture, or AIDC, is the collective name for the variety of technologies and methods used to identify objects and places, collect information about them, and share that information within and between different companies and organisations.

Thanks to AIDC, shoppers get through the supermarket checkout line and the clothes shop cashier desk more quickly; the prices consumers pay for their purchases are accurate and up to date; stores know what products they need to re-order; and everyone benefits from having more variety on store shelves that are rarely empty.

Bar code symbols and RFID tags are two of the most frequently-used carriers of the data which enables automatic identification – and of course, the most visible part of GS1's activity. GS1 BarCodes (including GS1 DataBar, GS1 DataMatrix, and several others) and GS1 EPCglobal RFID tags are used billions of times every day, everywhere in the world, in almost every industry sector.

Linking sectors and technologies

GS1 AIDC connects sectors to sectors and technologies to technologies. Thanks to our AIDC activity, GS1 allows different companies to work together more smoothly, and enables technologies from the past to work with technologies from the future. GS1 is working harder than ever before to enhance the interoperability between different technologies, an objective that can be seen in our output across the year, such as a new release of EPC tag data standards, work on a serialisation strategy, efforts on EPC headers and EPC/bar code interoperability, and more. We've also reached out to a new sector – Aerospace and Defense – where we are confident our global neutral standards can be helpful and useful.

From efficiency to safety

After more than 30 years, AIDC is building a future for safety in the supply chain on the strong foundation of supply chain efficiency. The 2009-2010 year witnessed a major milestone in the history of AIDC. For the first time, there is now a global agreement on a standards-based way of identifying drugs and medical devices in the **healthcare** sector. These GS1 Healthcare Product Identification Standards cover the identification needs of over 90% of all medical products. Read more about them on pages 14-15.

This work in the healthcare sector also resulted in a groundbreaking move in standards for **retail pharmacies and hospitals**. Global standards for automatic identification provide the opportunity to make the healthcare supply chain more efficient and safer for patients. With an increased need for smaller two-dimensional bar code symbols containing more data, the GS1 Healthcare global healthcare user group has strongly recommended that stakeholders invest in the camera or image-based scanners needed to scan these bar code symbols when replacing existing laser bar code scanners or in new installations. This will facilitate the future adoption of global standards for automatic identification in the healthcare supply chain.

"Fresh Foods is an important department at METRO stores, and providing high quality and safe products to our consumers is a top priority. Deploying the new fresh food standards using GS1 DataBar and GTIN will help us ensure these priorities are met."

Hanjoerg Lerch
METRO Group, METRO AG
Retail Standards & Industry Cooperation

GS1's work in the area of safety for **fresh foods** also moved forward this year. Working groups have advanced the GS1 Fresh Foods Identification strategy, approved in 2008, to make possible a wide variety of food safety applications. In other fresh foods news, after the success of GS1 DataBar pilots, implementation is now planned in many regions. The importance of implementing AIDC in fresh foods is not to be underestimated: fresh foods represent about 50% of total store sales in grocery, but most of these sales do not yet use the GS1 Global Trade Identification Number (GTIN). Once a fresh foods identification strategy is deployed in this sector, a variety of applications such as traceability, category management and more are possible.

Putting bar codes to the test

With the proliferation of new bar code symbologies, new scanning and imaging devices, and new technical and application standards, a state-of-the-art bar code test lab was needed. To meet this need, GS1 partnered with AIM Global and Ohio University to build the AIDC Laboratory at Ohio University, Russ College of Engineering and Technology.

This lab is now fully equipped and already running tests to confirm the integrity of various GS1 bar code symbologies (e.g. EAN/UPC, GS1 DataBar and GS1 Data Matrix) relative to industry needs for bar code performance and conformance. The test results will set the stage for fact-based conclusions to drive industry deployment of bar codes for decades to come. We encourage you to watch for news of their publication on our website at www.gs1/org.

The AIDC Lab is just one of many collaborations GS1 has undertaken in the past year with AIM Global, an international trade association representing automatic identification and mobility technology solution providers. In the past 12 months, our two organisations have also worked together on feature articles, webinars and more to educate the AIDC solution provider community on advances in GS1 AIDC standards.

What's ahead for AIDC

Although the past year was rich in success stories and significant accomplishments, many opportunities lie ahead. Integration of technologies will definitely remain a major focus: the AIDC teams at GS1 know that integration is really about people, and that organising and uniting the world's experts is the key. In the short term, we will be striving to better communicate GS1's AIDC strategies and initiatives. In the longer term, our work is about determining what the future might look like, and making sure we are ready to meet its needs.

Helping businesses save money

By allowing organisations to reduce or even completely eliminate manual document handling and manual data entry, GS1 eCom business messaging standards help them save money.

GS1 eCom standards allow companies to exchange structured, clear data from one computer application to another with a minimum of human intervention. GS1 eCom provides two complementary standards for business messaging: GS1 XML and GS1 EANCOM®.

Benefits for supply and for procurement

GS1 eCom standards allow a direct link between the physical flow of goods and information related to them, and are a key component of just-in-time manufacturing and quick response customer-supplier links. With GS1 eCom standards in place in the supply chain, processes move more quickly and more smoothly. There are lower administration and processing costs, increased accuracy, reduced lead-time and better inventory management.

> "We recently launched a service called 'CashEDI' to provide access to the exchange of standardised business data for ordering, receipt and delivery of banknotes and coins to commercial banks, cash-in-transit companies and retailers in Germany. This high-security solution was developed using GS1 EANCOM and GS1 XML standards. Our users are seeing a variety of benefits, including reduced fees, faster processing and a massive reduction of handling errors, all in a fundamentally safer and more transparent environment."
>
> **Thomas B. Langer**
> Bundesbankdirector, Cash Department,
> Deutsche Bundesbank

GS1 eCom in the procurement process also results in lower costs, and enables smoother compliance clearance and automated invoice controls.

Making it easier to be green

With GS1 eCom, companies use much less paper because they can exchange orders, dispatch notices, receipt notices, invoices, payment notices and more electronically instead of by postal mail. Archiving is electronic as well, which leads to cost savings and a reduced need to take up so much space with boxes of aging paper documents.

Used and useful in a wide range of sectors

GS1 eCom is helping businesses in a very diverse range of industry sectors boost their efficiency and save money. In the past twelve months, there have been dozens of exciting GS1 eCom success stories across the world – in retail, consumer goods, footwear, banking, healthcare, construction, breweries, the textile industry, the public sector, the armed forces and more. GS1 eCom can bring benefits to just about every kind of business.

Focused on interoperability with EANCOM

GS1 EANCOM is a highly interoperable form of electronic commerce. It is in fact a subset of the United Nations EDI international standard for electronic data interchange known as UN/EDIFACT. The past several years have seen adoption and implementation of GS1 EANCOM grow significantly. Indeed, adoption doubled between 2005 and 2009 from 50,000 to 100,000 user companies; and in 2009 adoption grew by another 10%.

Active work on XML standards with UN/CEFACT

To build on this successful adoption of GS1 EANCOM – a success due in great part to its compliance with the UN/EDIFACT standard – a number of GS1 staff members participate actively on the development of a UN XML standard for electronic exchange of business data, via work with standard development groups and management teams at UN/CEFACT.

UN/CEFACT is the United Nations Centre for Trade Facilitation and Electronic Business. UN/CEFACT supports activities dedicated to improving the ability of business, trade and administrative organizations, from developed,

developing and transitional economies, to exchange products and relevant services effectively. The UN/CEFACT Forum is a neutral, open environment where a wide range of standard and business experts from around the world meet and develop standards. As a neutral global organisation with 30 years of focus on interoperable standards, GS1 is a logical ally to UN/CEFACT's efforts.

Success for the Cross Industry Invoice

Whilst there are several initiatives ongoing at UN/CEFACT meetings, one of the top priorities for GS1 representatives over the past 12 months was to deliver version 2 of the Cross Industry Invoice XML message schema. This mission was accomplished, and is recognised as a landmark success. The GS1 delegation is proud to have been a part of this project.

GS1 eCom and ISO

GS1 remains actively engaged with ISO, the International Organization for Standardization. GS1 and ISO share the same values and the same beliefs in the vital importance of neutral, global standards. We have always been proud of the many GS1 standards that are ISO compliant and the many ISO standards that GS1 has adopted. GS1 team members are currently very active in ISO's TC 154 technical committee which is devoted to developing standards for processes, data elements and documents in commerce, industry and administration.

GS1 eCom and CEN

Various regional representatives from GS1 help us pursue our collaboration with CEN, the European Committee for Standardisation. GS1 colleagues led a workshop on eInvoicing (CEN eInv) and are actively participating in groups devoted to eCatalogues (ePPS), Public Procurement (BII) and European EDI and ebXML (eBES).

Growth trends continue

In addition to the continued growth of GS1 EANCOM mentioned above, adoption of GS1 XML standards and of WED EDI standards also continues to grow.

Looking ahead

The 2010–2011 year holds both challenges and great promise for GS1 eCom. Our teams expect to publish eCom messaging standards suitable for use in the Transport & Logistics sector. We also expect to publish GS1 profiles of UN XML, which will complement current GS1 XML standards. The year ahead will see a strengthening and expanding of eCom deployments in industry sectors such as transport & logistics, healthcare, consumer electronics, banking, and textile. To support these efforts, Major Release 3.0 of all GS1 XML standards is planned; this new version will have a simplified design, making it easier, faster and cheaper to implement. We will also continue to build strong strategic relationships with solutions providers, customs organisations around the world, and the Universal Postal Union.

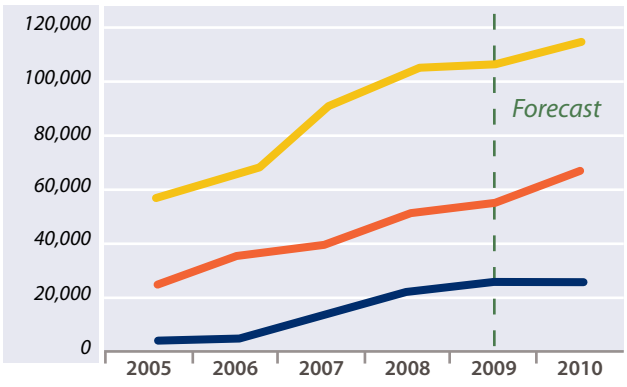
Join us!

GS1 eCom has a dedicated working group within the GS1 Global Standards Management Process; we invite users to join this group so that your needs are captured. Learn more at www.gs1.org/gsmp

Stay up to date on our website

The latest news and information are always available on our section of the GS1 global website at www.gs1.org/ecom.
Bookmark that address to stay up to date on the benefits GS1 eCom could bring to your business.

GS1 eCom Adoption 2005/2010



GS1 Global Data Synchronisation Network

Sally Herbert
President, GS1 Standards & System Development
President, GS1 GDSN Inc.

Growth and solidity

The Global Data Synchronisation Network, or GDSN, was launched in August 2004 with 74,000 items registered in the GS1 Global Registry. Since that time, adoption, implementation and growth has increased exponentially across the world. In fact, in April 2010, the GS1 Global Registry surpassed **five million registered items!** This milestone clearly demonstrates sustainable growth of data synchronisation as a result of increased adoption and use of the GS1 Global Data Synchronisation Network around the world by trading partners across sectors.

Over 23,500 leading companies and organisations across more than 90 countries have already made the Global Data Synchronisation Network a cornerstone of their success, increasing efficiencies and lowering supply chain costs. More than 20 million messages transited across the Network from one GDSN-certified data pool to another in the past year.

> "Carrefour has been an active supporter of GDSN since the launch about six years ago, and has gradually expanded its implementation in France and in other countries. We are also fully committed to GS1's data quality initiative – improving the quality of data will allow us and our trading partners to unlock the full potential of GDSN."
>
> **Ghislain Esquerre**
> B-to-B Competence Center – Director
> Carrefour

Today, the GDSN is a solid and reliable network that allows its users to take advantage of GS1 standards to improve the quality of the information their organisations need to make mission-critical decisions every day. It is governed by a neutral body of volunteers from companies in a variety of industries and sectors. All of the GS1 standards that allow it to function are user-defined and user-driven.

Focused on data quality

Data synchronisation programmes cannot function in the absence of data quality programmes: good quality data is foundational to collaborative commerce and global data synchronisation. By improving the quality of data, trading partners reduce costs, improve productivity and accelerate speed to market.

However, recent data quality studies carried out in the United Kingdom (GS1 UK Data Crunch Report) and in India (GS1 India Data Quality Audit) clearly show that inaccurate and incorrect data can be found across the entire supply chain.

In the Retail and Consumer Packaged Goods sector, for example, **bad data contributes to inefficiencies and lost sales.** Without the GDSN, the multitude of different methods companies use to share data – spreadsheets, web portals, emails, paper catalogues – add to the complexity, redundancy, and promulgation of bad data and inefficiencies created by 'work-arounds' for procedures which no longer meet business needs. And worse, they create unnecessary costs. The GS1 UK Data Crunch Report estimated that implementing a data synchronisation programme would represent a total potential savings in this sector in the UK of over £700 million over the next five years: £135 million for retailers and £100 million for suppliers from eliminating workarounds and corrections, and an additional potential savings of £250 million and £225 million for retailers and suppliers respectively for avoiding shrinkage. Furthermore, the report estimates that improving data quality could result in an additional £300 million in sales.

Other sectors, such as healthcare, are facing similar challenges in managing their master data.

Read more about GDSN in the healthcare sector, and, in particular, our GDSN Implementation Initiative for Healthcare, on pages 14-15.

Continuing the fight against bad data

Several years ago, to help with the important issue of data management, GS1 and its user community produced a comprehensive tool for the implementation of world-class data quality management systems and processes: the **Data Quality Framework (DQF)**. The DQF is an industry-developed best practices guide, detailing the crucial processes that can help organisations improve their data quality and maintain sustainable levels of quality. In 2010, version 3 of the Data Quality Framework was released. The results of a series of pilots in the **Data Quality Challenge** undertaken in 2008-2009 by a variety of important global companies were used to develop version 3 of the Data Quality Framework. First launched in the last months of 2007, the GS1 Data Quality Challenge proved to be an important programme that created many success stories. The Data Quality Challenge was built upon the Data Quality Framework's self-assessment procedure, which enables organisations to assess their compliance by positioning their current status in comparison to best practices. The new version 3 of the DQF can be downloaded from www.gs1.org/gdsn/dqf.

An important year for GPC

In Autumn 2009, GS1 published an updated version of its Global Product Classification (GPC) system. GPC is one of the key building blocks of GDSN; it gives buyers and sellers using the Global Data Synchronisation Network a common language for grouping products in the same way, everywhere in the world. Across all 38 categories of the GPC, more than 4500 changes were made, most thanks to the excellent contributions of users. The changes in the new version bring improved quality and consistency of the standard across all product segments, as well as dozens of new brick codes, most importantly in Healthcare, Meat & Poultry, Consumer Electronics, and for a new segment of Storage/Haulage Containers.

In addition, GPC is now committed to two publications annually and will be incorporated into GDSN bi-annually as well. Read more about GPC at www.gs1.org/gdsn/gpc.

Get the help you need

Are you getting started with GDSN, or thinking about trying to get more out of your existing data synchronisation programme? GS1 and GDSN-certified data pools can provide guidance and support. Visit www.gs1.org/gdsn for more information or to download a list of GDSN-certified data pools; your local GS1 Member Organisation can help, too: find the GS1 MO nearest you on pages 50–54.

Chris Adcock
President, GS1 Industry Engagement
President, EPCglobal, Inc.

Supporting businesses

GS1 EPCglobal is leading the development of industry-driven standards for the Electronic Product Code™ (EPC) to support the use of Radio Frequency Identification (RFID) in today's fast-moving, information-rich, trading networks.

Technology and services using RFID and based upon GS1 EPCglobal standards are already transforming business processes and enabling organisations to achieve new levels of engagement and interaction with the customers and suppliers.

A new track

It is a challenging task to keep the trains running while building a new track – and yet, during 2009-2010, this is exactly what EPCglobal and many other teams across the GS1 global community successfully did. Thanks to their hard work, there is now a new GS1 standards development model, which includes both the identification of business needs and a two-step development method for technical standards (in which business users develop the requirements and technical communities develop the technical solution) that had contributed to making the previous EPCglobal standards development process so strong. Read all about the new integrated "best in breed" GS1 Global Standards Management Process and some of its latest accomplishments on pages 20–22.

Already providing answers to industry needs

As we look to the year 2020, we know that EPC/RFID tags encoding GS1 identification numbers and using the Electronic Product Code Information Services (EPCIS) standard will be two important elements of our efforts to enable full visibility over the supply chain. (Read all about our work on visibility on pages 32–33.) However, the GS1 Electronic Product Code is already being used with EPC/RFID tags today to provide answers to many other industry needs and adoption is strong in many sectors.

EPC-enabled electronic article surveillance

EPC/RFID tags coded with GS1 EPCglobal standards are being used at a variety of clothing retailers around the world to add Electronic Article Surveillance (EAS) capabilities to existing business processes. EAS is a technical solution for deterring and detecting shoplifting and theft of consumer goods. Special RFID-enabled EAS tags are attached to the packaging of an article of clothing or to the item itself. If someone tries to remove the item from a store without paying for it, the tags interact with RFID readers set up at all exits and an alarm rings.

Beyond theft deterrence and detection, RFID-based EAS also brings detailed information regarding what is happening in stores, and where it is happening. This kind of insight enables retailers to more efficiently re-stock their shelves in order to maintain on-shelf availability and, in doing so, avoid the high cost of missed sales opportunities: by reducing out-of-stocks, retailers ensure that the right clothes are in the right place in their stores when customers want to buy them.

EPC will certainly bring other benefits to logistics and retail management in the apparel sector. For example, companies can expect improved monitoring of delivery quality with their logistics service providers, because RFID means that deliveries can be more quickly and easily checked for accuracy and completeness. Returns processes can be greatly accelerated; in fact, all goods-in and goods-out processes can be easier and quicker. Using GS1 and GS1 EPCglobal standards for these services ensures a uniform approach and maximum cost efficiency.

EPC-enabled product authentication and anti-counterfeiting

EPC/RFID tags based on EPCglobal standards can play an important role in the fight against counterfeiting and parallel importing. Many of the existing options for preventing counterfeiting are expensive or inconsistent in their reliability. EPC-enabled product authentication is a cost-effective and trustworthy approach to protecting the value of brands, the reputation of companies and the rights and safety of consumers.

By tagging products with EPC-enabled RFID, manufacturers can ensure item-level product authenticity. Product authentication can be performed from one end of the supply chain to the other, using portal-sized gates or handheld readers; in retail points of sale, easy-to-use kiosks help educate consumers about the importance of buying legitimate products and add the values of transparency and information to a brand's image.

"We knew that our choice of technology would have implications on how fast we were able to install and what sort of applications we could develop in the future. That is why we decided to comply with GS1 EPCglobal's recommendations, which are endorsed by a large community of manufacturers and retailers."

José Sousa
IT Manager
Throttleman

EPC-enabled traceability

By enabling companies to know what, where, and when an individual item is in the supply chain, GS1 EPCglobal standards can be used in conjunction with EPC/RFID tags to make a very wide range of traceability applications and services possible. Indeed, live traceability services and advanced pilot projects exist today in healthcare, transportation, waste management, cold chain management and more.

Public policy and outreach

Much has been accomplished this year by the teams at GS1 who are working on public policy concerns. Their goal is to ensure EPC/RFID is deployed responsibly, and they strive to ensure that policymakers around the world are aware of the EPCglobal community's responsible approach to the use of RFID technology.

Another important mission we have is to help increase consumer understanding and awareness. In fact, this is just one of the many ways that GS1 EPCglobal as a whole is working to help its global community of users reach new levels of collaboration and information-sharing, thanks to EPC/RFID.

Learn how RFID can help keep people safer, save money, make shopping easier and more.
Visit www.discoverRFID.org.

Supply chain transformation through visibility

Enabling full visibility of the supply chain has been identified as one of four strategic pillars that will be the focus of GS1's work in the coming years. The importance and implications of achieving full visibility were particularly emphasised through the work undertaken by EPCglobal and the development of standards that not only allow the identification of objects but also a far deeper level of knowledge concerning the events related to those objects.

What is visibility?

Visibility is a broad concept that relates to knowing where things are at any point in time and why they are there (or where they have been in the past). Visibility means leveraging a range of standards and business applications in order to see more event-based information relating to key business processes. It is increasingly a key capability for businesses to be able to address the perennial issue of "if you can't 'see' something then you can't measure it, and if you can't measure it, it's probably costing your business too much!"

> "The value of information grows exponentially when shared among all stakeholders in a standardised way. This is essential for achieving visibility in the supply chain and maximising return on investment."
>
> **Dr. Bill C. Hardgrave**
> Founder & Advisor
> RFID Research Center, University of Arkansas

Many supply chain processes can be transformed through deeper, more accurate and rich visibility information. These processes could include improving overall supply chain accuracy, velocity and effectiveness; the management of inventory; product tracking (where is it now) and tracing (where has it been); confirming the chain of custody and ownership of a product as it moves through the supply chain; product authentication that confirms a product is genuine and not counterfeit; managing products returned by customers and confirming that they were legitimately purchased. There are literally hundreds of business processes that could be improved and transformed through the use of visibility information.

Focused on business value

Supply chain visibility is important as it translates directly into business value. A recent study showed clearly that best-in-class supply chain performers – measured as those companies with the lowest out-of-stocks, lowest landed costs and highest on time shipment rates – also have the most visibility into their supply chains.

Standards required

In addition to this sort of internal visibility, in today's world where supply chains are often complex and global, the achievement of full visibility also demands cooperation between multiple players. In order for visibility data to be shared and understood across the supply chain, it is necessary to have the standards agreed to by all parties.

Standards for visibility cover three key areas:

- **Identification** standards that provide the foundation for data and interface standards
- **Data** standards that define the content and meaning of visibility data so that one supply chain party can understand data that it receives from another supply chain party
- **Interface** standards that define how supply chain parties can interact with each other to exchange visibility data

For example, GS1 US has defined a "Visibility Framework" which describes an integrated suite of global standards that, when used together, enables the visibility of objects through common ways to uniquely identify, capture and

share information relating to their movement or state in the supply chain.

There can be no real visibility of objects unless there is a standard way for all stakeholders in the supply chain to capture and share information. The necessary standards to enable the achievement of visibility exist today:

- **Identify** – The GS1 System includes globally accepted unique identification numbers that provide a common language to communicate product information from company to company.
- **Capture** – The GS1 System uses approved bar code symbologies and EPC-enabled RFID tags to encode GS1 identification numbers.
- **Share** – The GS1 System supports multiple standardised ways to share information. Electronic Data Interchange (EDI), Electronic Product Code Information Services (EPCIS) and the Global Data Synchronisation Network (GDSN).

The GS1 System provides a solid foundation and an integrated suite of global standards that can enable businesses to achieve global supply chain visibility. Visibility means knowing exactly where a given item or asset is at any point in time, and therefore enabling improvements to be made to the management and control of those assets. With greater information, organisations can stop making assumptions and start making informed decisions based on accurate information about the actual conditions.

Real benefits

Businesses around the world are realising the benefits that can be gained from leveraging GS1 standards to achieve greater visibility into the supply chain. In these times of intense competition, every opportunity must be seized to improve effectiveness, reduce cost, and increase the speed and accuracy of operations; and this, in order to ultimately serve the customer, consumer or patient needs. These benefits are being achieved within organisations, between supply chains parties and across industry sectors thanks to the GS1 System.

Looking ahead to Discovery

Although a range of standards exists today to enable the achievement of visibility, there is still work to do. The final element of visibility will be the completion of work on Discovery Services. Discovery concerns finding and obtaining all relevant data, to which a party is authorised, when some of the data is under the control of other parties with whom no prior business relationship exists. Discovery Services will enable parties to exchange data in a secure way, which will ensure each party retains the rights of ownership of its visibility data and will ensure that requests for information are authorised and authenticated. Discovery is a complex piece of work that will take some time to complete but it will add a new level and depth of information that can be used to achieve the benefits of even greater visibility.

GS1 Business to Consumer (B2C) / MobileCom

The year of bar codes on mobile phones

People will certainly look back on 2010 as the year that using mobile phones to scan barcodes became mainstream. The popularity of a range of "apps" for iPhones, Android phones and other mobile devices is the proof that existing linear bar codes — the very GS1 BarCodes that have been on cans and boxes in grocery stores for three decades — are well suited and immediately functional for enabling mobile services. Extended packaging, which refers to using the camera of a mobile device to read a product's bar code and get product information, is a reality in the market.

Ensuring compatibility

GS1 MobileCom is our cross-industry initiative involving manufacturers, retailers, mobile industry companies and solution providers. Over 2009-2010, GS1 MobileCom, under the active leadership of its Steering Committee, continued to work to ensure that all consumers have access to trusted product information and related services via their mobile phones; and that all stakeholders use open standards so that mobile applications are interoperable, scalable and cost-effective.

"Extended packaging services and other mobile applications can be launched today using the GS1 system that you know and trust. The time to get started is now!"

Philippe Lambotte
Senior Vice President
Global Customer Service & Logistics
Kraft Foods

From bar codes to trusted product information

Now that mobile barcode scanning is proven, there is a clear need to provide consumers with access to trusted product information. This is a very exciting area where GS1 standards can play a huge role. Indeed, many of our local offices have active pilots: one notable example (among many others) is the B2C Alliance facilitated by GS1 US and GS1 Canada.

GS1 MobileCom Day 2010

On 15 June 2010, the "GS1 MobileCom Day" event informed over 750 people from almost 50 countries about how mobile phones are changing the way consumers shop. Over 35 GS1 Member Organisations held local activities including large conferences, small meetings, user workshops, staff briefings and press conferences. Three global webinars attracted a global audience, with presentations and case studies from L'Oréal, Kraft, Ogilvy, Deloitte, IBM, SAP, GS1 France and GS1 US.

Scenes from GS1 MobileCom Day 15 June 2010

Australia

Austria

Belgium

Colombia

Germany

Hungary

Indonesia

Italy

Japan

Kenya

Korea

Latvia

Netherlands

New Zealand

Poland

Slovakia

Switzerland

Participate in 2011 at www.gs1.org/mobile

Mobile in Retail

GS1 recently published a white paper which explores the opportunities for brands and retailers as consumers begin to use mobile phones to plan their shopping and during visits to stores, and details ways in which GS1 standards can support this strong emerging market.

Download "Mobile in Retail: Getting your retail environment ready for mobile" from our website at www.gs1.org/mobile.

The year ahead: Beyond mobile devices

Over the coming months we will track innovative activities taking place as user companies and local GS1 Member Organisations continue to experiment with the applications made possible by mobile technologies. Our vision remains that people seeking product information can find accurate data that earns their trust. However, the scope of this project has now moved beyond mobile devices to cover any business-to-consumer interaction involving product information. To get involved in this exciting area, contact your local GS1 office. Full contact details are available on pages 50-54, or online at www.gs1.org/contact.

Helping companies implement traceability

Food safety, product tracing, and product recalls are currently at the forefront of both government regulations and industry concerns around the world. Technology offers a wide variety of ways of achieving traceability and many solutions already exist. Neutral global standards can help ensure the smooth interoperability of all these traceability technologies and systems. That's where GS1 comes in: GS1 offers traceability standards and supports their implementation to enhance companies' business processes.

GS1 Global Traceability Standard

As it can enable the unique identification of trade items, assets, logistic units, parties and locations, the GS1 System is particularly well suited for traceability. GS1's collaborative standards development process has allowed suppliers and retailers across the world to define and produce the GS1 Global Traceability Standard (GTS), a business process standard which links enabling technologies to the relevant elements from the GS1 System.

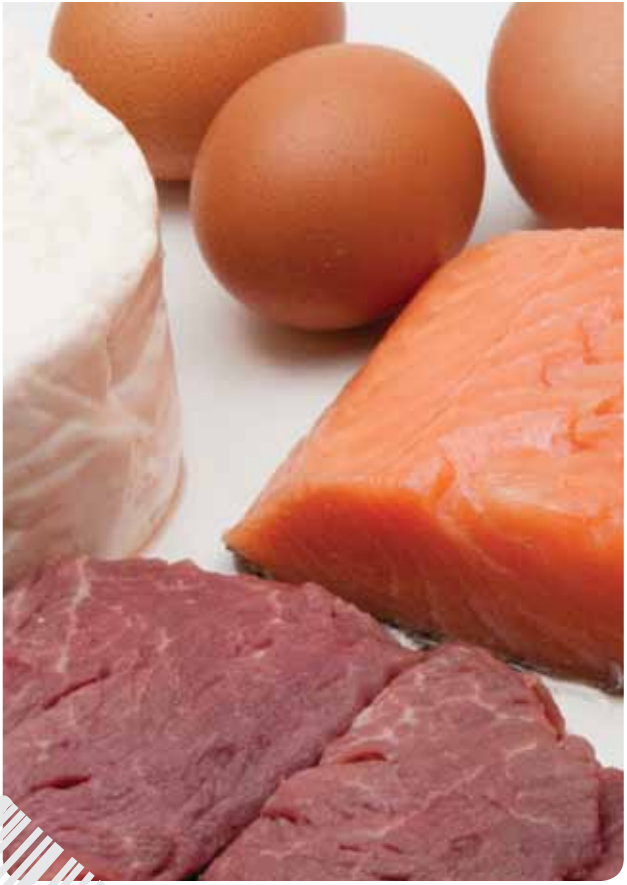
The GS1 GTS helps user companies meet legislative and business needs to cost-effectively trace back (one step up) and track forward (one step down) from any point along the supply chain, no matter how many trading partners are implicated, how many business process steps are involved and how many national borders are crossed. In brief, the GTS provides the food industry with a common and understandable traceability language to use when sharing traceability information between trading partners across the extended supply chain.

Powerful assessments and checklists

Companies that manufacture consumer products work hard to establish the value of their brands and meet the needs of customers, regulations and efficiency in the supply chain. GS1 has developed a **Global Traceability Programme** to support their efforts. This Programme trains and accredits GS1 Traceability auditors, and uses a standard checklists to allow companies to assess their traceability system and determine their readiness for introducing a GS1-based traceability system. Businesses can have their current traceability system evaluated

and audited, in compliance with the requirements of key customers, with global standards, with major international traceability regulations, and with food industry requirements and best practices. The Programme is designed for any stakeholder that handles goods in the food supply chain, as well as for companies providing implementation services related to traceability.

Download an overview of the Global Traceability Programme from www.gs1.org/traceability



Food traceability

Although we are also working on traceability in healthcare (see pages 14-15), traceability in the food sector is our main areas of focus this year. While the retail supply chain is already core sector for GS1, there remain opportunities further upstream in the global food supply chain where raw material, packaging material, and agricultural production play important roles. There are many organisations involved in food safety; GS1's role is to enable communication between them.

As part of these efforts, GS1 recently released the **GS1 Global Traceability Control Points & Compliance Criteria for Food**. This checklist has been designed specifically for the food sector and is a concrete and methodological way for companies to assess their traceability systems. It is based on best practices and was tested and proven in 11 countries before becoming the GS1-recommended way to identify gaps at the beginning of a traceability implementation project or to check conformity of an existing traceability process against the GS1 Global Traceability Standard. Companies can use it for self-assessment or it can be part of an assessment lead by a third party.

> "With the GS1 Global Traceability Programme, we can help our member companies to establish their actual traceability level and to be benchmarked against agreed supply chain minimum requirements and best practices for traceability. Our users have seen a positive impact on their competitiveness, not just in our domestic markets but also in their ability to compete in foreign markets. This is particularly true for small and mid-sized companies."
>
> **Angel Becerra Tresierra**
> Chief Executive Officer,
> GS1 Peru

The GS1 Global Traceability Conformance Control Points and Compliance Criteria document was developed to enable the proactive monitoring of manufacturers' products and processes. It helps to safeguard product security, quality, certification, origin and content, while ensuring compliance with current national and international traceability and recall regulations.

Download the GS1 Global Traceability Control Points & Compliance Criteria for Food from www.gs1.org/traceability.

Many success stories

In 2009-2010, there were more than 30 active GS1 Global Traceability Standard-enabled pilots running in countries around the world. Read about a number of these pilots including studies from China, Chile, Egypt, France, Germany, New Zealand, Peru, Spain and the UK at www.gs1.org/traceability/case-studies.

A new business imperative

The communication between supply chain partners of sustainability-related information and metrics has become one of the most important recent imperatives for manufacturers and retailers. Various companies and industry associations are launching scorecards and metrics-definition projects. Businesses need common indicators to be able to measure and manage sustainability. The coming years will see companies collecting and exchanging more and more data related to the sustainability of their raw materials, packaging, products, processes and partners.

However, these increasing exchanges of information will be feasible and acceptable for trading partners – as well as for consumers – only if they are cost efficient. Automation and standards will be key enablers.

"GS1 and The Consumer Goods Forum are already working together to drive the implementation of GS1 standards, services and utilities. Our two organisations will continue to collaborate to achieve simplification and bring value and efficiencies to our members. GS1 standards and solutions will be a key enabler for the implementation of the Global Packaging Project metrics."

Jean-Marc Saubade
Managing Director
The Consumer Goods Forum

An opportunity for GS1 to pursue its mission

As an open neutral organisation, GS1 is perfectly placed to help ensure collaboration, alignment and knowledge sharing between trade associations, Non-Government Organisations (NGOs), users and other members of the sustainability community. Indeed, many GS1 Member Organisations are already involved in local waste management, recycling, transport and logistics efficiency, or carbon footprint reduction projects. Their experiences and best practices will enrich and enhance similar efforts elsewhere in the world. GS1's existing standards will play a key role here and we can oversee the development of new standards if required.

Supporting The Consumer Goods Forum

One of our main priorities in 2010-2011 is to actively support the Global Packaging Project (GPP) led by The Consumer Goods Forum; the GPP is an effort to identify and assemble a set of commonly-used indicators and metrics for packaging, in order to allow stakeholders to access information that will influence improved packaging designs. The GS1 Global Data Synchronisation Network could be leveraged to enable the cost-efficient exchange of this sort of information. We will help ensure the data requirements of the GPP are understood, verified and added to the GS1 Global Data Dictionary as appropriate, and that the GS1 GDSN standard meets the needs of GPP metrics.

A coordinating role

Sustainability is a vast topic, and reaches far beyond GS1's zone of expertise in global supply chains. GS1's primary role at this time is to understand industry requirements at both the global and local levels and ensure that our standards meet these needs. Alignment with TCGF is critically important, as is collaboration with other organisations and local trade associations. By transferring knowledge, curricula, materials, and best practices, GS1 and its Member Organisations can surely play a vital role in coordinating a global implementation with the fewest possible divergences.

GS1 Member Organisations in Action

The GS1 Global Office oversees the development of the GS1 System, but the real day-to-day action takes place at our 108 Member Organisations around the globe, where more than 2,000 GS1 team members work to help organisations get the most out of our standards. There are thousands of success stories every year: these next pages share just a few of them.

GS1 Argentina

Annual study shows primary causes of empty shelves

Out-of-stocks continue to be an issue

Every year, GS1 Argentina carries out a study to measure the average percentage and the causes of out-of-stock situations in supermarkets around the country. In 2009, the eighth annual edition of this Out-of-Stock Study surveyed 462,152 food, beverage, personal care and household care items identified by their GS1 GTIN (Global Trade Item Number). The survey registered an overall out-of-stock level of 14.6%, compared to 13.8% the year before, a year-on-year increase of around 8%.

The study gathered data from 12 supermarket chains with 198 stores in the federal capital area and the provinces of Buenos Aires, Neuquén, Córdoba, General Roca, Mendoza, Rosario, Bahía Blanca and Tucumán. Out-of-stock results ranged from a high of 17.1% in Córdoba Province to a low of 12.8% in Tucumán Province.

The study also included data provided by 14 manufacturers who were asked to confirm the data or to explain the circumstances that caused the out-of-stock situations. The survey found that out-of-stock levels by product category ranged from 14.9% for food, 13.1% for beverages, 17% for household items, and 14.4% for personal care products.

Causes clearly identified

The eight consecutive annual studies consistently show that three-quarters of all out-of-stock situations are caused by lack of replenishment by the merchandiser, despite the product being in stock at the back of the store; differences between the stock information in the logistics system and the actual stock in the store; and supplier delivery delays.

This latest survey indicated that the responsibility for the out-of-stock situation rests with the retailer in 72.3% percent of cases; with suppliers in 16.7% of cases, with the distribution and replenishment centre in 10.7% of cases, and with the purchasing office in 0.3% of cases.

The results clearly show that out-of-stock products at the shelf level affect everyone involved in the supply chain – suppliers, manufacturers, transporters, wholesalers and retailers. The study shows conclusively that the reduction of out-of-stock situations is the shared responsibility of the entire supply chain. All the players along the supply chain must cooperate to reduce out-of-stocks, not only in order to optimise financial results, but most importantly, to improve customer satisfaction.

> "The study shows conclusively that the reduction of out-of-stock situations is the shared responsibility of the entire supply chain."

Collaborative efforts help

To help its member companies reduce out-of-stocks, GS1 Argentina has coordinated a number of collaborative efforts between retailers and suppliers. In 2010, Disco Supermarkets and a group of 10 suppliers that include Nestlé, Unilever, Kraft, P&G, Danone and other key local players are working with GS1 Argentina on a process revision designed to improve the on-shelf availability of their largest selling SKUs.

For more information about GS1 Argentina, visit www.gs1.org.ar

GS1 Brazil

EPC/RFID at work for the Brazilian army supply chain

Item-level visibility

Establishing online and electronic logistics are a key strategy for the Brazilian Army. As part of this strategic programme, the Brazilian Army's Class II Products Supply Division worked with GS1 Brazil to implement a new traceability and control capability through the use of EPC/RFID-based automated identification technology. The products concerned include equipment (e.g. helmets, backpacks), kitchen utensils, lodging equipment (e.g. bunk beds, mattresses), and uniforms.

The new process involves having suppliers apply a passive serialised GS1 EPC/RFID tag to each item and logistic unit, and equipping Army warehouses with RFID portals that can "see" all the tagged products as they enter and leave. The process is also supported by electronic messaging. This combination of GS1 standards provides the Brazilian Army with item-level visibility across its various warehouses.

Standards are mandatory

The obligatory use of GS1 standards is specified in the bidding requirements sent to all suppliers. To support the supplier community as well as the military, GS1 Brazil created a service to verify the tag data prior to shipment of goods, ensuring all involved that the Serialised-GTIN (S-GTIN) created for each item conforms to the GS1 EPCglobal Tag Data Standard. The serialised form of the GS1 Global Trade Item Number identifies a specific instance of a trade item: each individual item has its own unique identity.

The entire initiative is being lead by the Brazilian Army with the support of GS1 Brazil and local EPCglobal Solution Providers. GS1 Brazil also provides support to end user companies and service providers in their implementation of GS1 and GS1 EPCglobal standards.

> "This transformation of the supply chain has delivered significant operational improvements in inventory, shipping and receiving processes, and provides item-level visibility across warehouses."

Significant operational improvements

This transformation of the Army's supply chain has delivered significant operational improvements in inventory, shipping and receiving processes. Additional benefits are expected from significant improvements in accuracy, as the Army will be quickly and easily able to verify that any logistics unit being received contains the items purchased.

The positive results of the Army programme have attracted the attention of the logistics teams of other branches of Brazilian armed forces, including the Navy and the Air Force. GS1 Brazil will continue to work closely with all the units in the Brazilian Defence community, as well as the entire supplier community, to deliver the benefits of GS1 standards to every aspect of Brazilian Defence logistics.

For more information about GS1 Brazil, visit www.gs1br.org

GS1 Canada

Enabling the electronic ordering of controlled substances

Secure. Validated. Paperless

The Certificate of Authority Service was developed in response to the healthcare industry's need to streamline the process of electronically ordering and receiving controlled substances. This service enables a truly electronic process – removing paper from the process, improving efficiencies, and enabling savings in both time and money.

The Certificate of Authority Service is an innovative example of how GS1 standards and community management support can be incorporated into the healthcare sector's business processes. Developed in 2009, this service greatly enhances the healthcare pharmacy supply chain by enabling a completely electronic order management system. GS1 Canada was in a unique position to take on the role of certification authority because of its community management role and compliance with Health Canada guidelines. As a neutral entity, GS1 Canada is trusted to validate the identity of authorised purchasers of controlled substances, as well as manage the issuance, renewal, and revocation of these digital certificates.

> "The Certificate of Authority Service is an innovative example of how GS1 standards and community management support can be incorporated into the healthcare sector's business processes."

Digital signing means extra security

As a result of the Certificate of Authority process, hospital pharmacists are able to digitally sign orders and receipts for narcotics in accordance with federal laws, thus supporting the most secure and effective method of the narcotics ordering processes possible. By enabling an end-to-end electronic ordering process, the Certificate of Authority Service ensures greater traceability by having touch points at every step of the ordering process – from authentication of the pharmacist's identity at the time an order is placed to the electronic confirmation that the order has been received in its entirety and in the right condition, thereby enhancing patient safety.

Pre-launch study revealed opportunities

A business case was conducted prior to the launch of service, revealing a significant opportunity for important efficiencies, including an 80% improvement in time savings, a 30% improvement in security and patient care, an 18 – 44% improvement in cost savings per narcotics order, a 41% decrease in narcotics inventory levels, and up to 72% improvement in order retrieval.

Since launching in August 2009, the Certificate of Authority Service has enrolled over 600 hospital pharmacies. The service is provided on a cost recovery basis, and therefore is cost effective to implement. Furthermore, because it was built on a proven trust model, it can be adapted across pharmacy distribution channels, and can also be leveraged by GS1 Member Organisations around the world. It is an excellent example of an innovative, standards-based service that can enable growth and efficiencies.

For more information about GS1 Canada, visit www.gs1ca.org

GS1 Korea

Improving consumer safety with the GS1 System

Concerned about consumer safety

In Korea, and throughout the world, there has been growing concern over consumer product safety, especially with respect to food products, toys and other items destined for use by children. Both government and industry in Korea have been increasing efforts to protect consumers by tightening regulations.

Three Korean government bodies perform sample inspections to ensure consumer safety: the Korean Agency for Technology and Standards (KATS) under the Ministry of Knowledge Economy (MKE) for consumer packaged goods (except food); the Korea Food & Drug Administration (KFDA) for food and drugs; and the Ministry of Environment (ME) for toys and other products for kids. These organisations post information about unsafe products on their websites, make it public through mass media, and send notifications directly to retailers to block the sale of unsafe products to consumers.

More efficient information sharing

However, the performance of these efforts was not satisfactory, primarily because sharing of information about unsafe products was ineffective and inefficient. In order to improve the situation, GS1 Korea established the Unsafe Products Screening System (UPSS) in cooperation with the relevant government bodies (MKE, KATS, KFDA, and ME) and leading retailers. The system uses the GS1 System of standards to effectively and efficiently share information about unsafe products. Five leading retailers participated in the project: Shinsegae E-MART and LOTTE Mart, the Hyundai Department Store chain, the Bokwang FamilyMart, and GS Retail. Together these hypermarkets and supermarkets number 8,771 stores and serve 5 million customers per day.

> "The new system has significantly enhanced consumer safety in Korea by effectively and efficiently blocking the sale of unsafe products as quickly as 30 minutes after detection."

Under the new UPSS, government bodies communicate information about unsafe products to KorEANnet (the GS1-compliant e-Catalog run by GS1 Korea) as soon as they identify a product safety issue. KorEANnet in turn sends the information to retailers in real time, and retailers then block the sale of those products to consumers at their point-of-sale (POS) terminals. Throughout the information sharing process, the GS1 GTIN (Global Trade Item Number) is used as the product identifier.

GS1 Korea and its partners launched the UPSS project in February 2009 and system development was done from May to September. The UPSS has been successfully operating since October 2009, covering packaged foods, products for kids, and electrical appliances.

Improvements in speed and confidence

UPSS has significantly enhanced consumer safety in Korea by effectively and efficiently blocking the sale of unsafe products. Before the system was put in place, it took a minimum of 4 hours to stop selling unsafe products; thanks to UPSS that now happens as quickly as within 30 minutes. This, in turn, has improved consumer confidence in participating retailers.

For more information about GS1 South Korea, visit www.gs1kr.org

GS1 UK

Improved stock visibility and data quality for leading pub group

Better visibility of stock vital

Mitchells & Butlers, the UK's leading operator of managed pubs and restaurants, has 2,000 businesses raising 15,000 orders every week. Full visibility of stock and reliable product data is vital to the efficiency of the pub group. To meet this need, Mitchells & Butlers implemented GS1 standards for their centralised stock control system, using GS1 eCom Advanced Shipping Notices (ASNs) and rolling out Global Data Sychronisation (GDS) with their suppliers. GS1 UK assisted the company with the planning and onboarding process.

Significant results achieved

Since implementing ASNs at pub level, the company has benefited from faster, more accurate and more efficient ordering and stock control processes. The automated ordering system has allowed pub managers to devote more time to managing their pubs and improving customer service levels, because they have fewer time-consuming administrative tasks such as manually matching orders to delivery notes. Furthermore, with full visibility of stock, the company has been able to reallocate stock between pubs to reduce waste and make effective forecasts, which is vital during busy seasonal periods. Payments to suppliers have also become more efficient because invoicing errors can now be identified immediately by matching the invoice to the ASN.

In addition, Mitchells and Butlers has now onboarded all of its drinks suppliers to the GS1 Global Data Synchronisation Network following the success of its GDS pilot. Today, the company only accepts from its drinks suppliers new product lines and changes that are GDS-compliant and entered properly via the data pool.

> "Mitchells & Butlers staff are able to spot ordering, delivery and invoicing errors in advance, avoid unnecessary costs and receive up-to-date and accurate product data from suppliers – driving supply chain efficiency throughout the business."

Key benefits: Process automation and data accuracy

The company currently identifies all of its 900 drink product lines using GS1 GTINs (Global Trade Item Numbers) and has eliminated the use of costly data translation tables which were previously needed to run its automated ordering and stock control system. Before deploying GDS, 37.5% of all the dimensional data Mitchells & Butlers received from suppliers contained errors, so perhaps most interesting is the positive impact of data quality: with the implementation of GDS, Mitchells and Butlers are now able to identify any errors and verify the data before it enters their database, which allows them the confidence of knowing they have accurate product data at all times. With drinks suppliers fully GS1 compliant, Mitchells & Butlers is now working with GS1 UK to get the rest of its suppliers to deploy GS1 GDSN as well.

For more information about GS1 UK, visit www.gs1uk.org

Names & Numbers

We are pleased to share our 2009-2010 financial statements, information about our governance, and the full contact details for our GS1 Member Organisations around the world.

Key Financial Statistics: Global Revenue

GS1 Member Organisations (MOs) around the world are funded by their local members through annual subscription fees and provision of services. Consolidated in Euros, the total revenue of the MOs in 2009 was 4.9% higher than the year before. Excluding the impact of currency due to the strengthening of most currencies against the Euro, the year-over-year growth is 2.5%. However, this year-over-year comparison is distorted by the absence of data from Greece for 2009. On a pro-forma basis and without currency impact, the growth versus 2008 would be 4.2%. This compares to a growth of 4.6% last year. Regionally we see some differences, with strong growth in Latin America, MEMA, the Baltics, Hong Kong and New Zealand, but declines in Taiwan, Iberia and the United States.

GS1 Global Office – Fee Evolution

Looking at the historical trend, we can see that after a period of transformational change in GS1, with the startup of EPCglobal and GDSN, we went through a more stable phase in terms of the evolution of our fees. With the implementation of Organisational Effectiveness and the new Sustainable Funding Model, we expect fees to

Global Coverage Revenue By Region

Figures in thousands of Euros	Actuals 2004	Actuals 2005	Actuals 2006	Actuals 2007	Actuals 2008	Actuals 2009	Growth %	Growth Excl. FX
Asia Pacific	*25,616*	*33,679*	*34,069*	*35,008*	*36,699*	*40,666*	*10.8%*	*3.9%*
Latin America	*19,707*	*24,306*	*23,060*	*24,953*	*24,122*	*28,549*	*18.4%*	*11.7%*
North America	*52,834*	*74,254*	*68,005*	*59,893*	*60,269*	*60,252*	*0.0%*	*-0.7%*
Middle East/ Mediterranean/Africa	*3,187*	*4,033*	*4,015*	*4,342*	*5,248*	*5,517*	*5.1%*	*0.8%*
Europe	*72,887*	*79,595*	*85,452*	*89,860*	*89,486*	*91,447*	*2.2%*	*1.6%*
TOTAL	***174,231***	***215,868***	***214,601***	***214,056***	***215,824***	***226,430***	***4.9%***	***2.5%***

Historical perspective

Figures in millions of Euros	03/04 Actuals	04/05 Actuals	05/06 Actuals	06/07 Actuals	07/08 Actuals	08/09 Actuals	09/10 Actuals	10/11 Budget
GS1 Central Office	*7.2*	*11.6*	*13.8*	*16.4*	*16.7*	*16.9*	*22.5*	*22.1*
EPCglobal Inc.	*3.2*	*5.4*	*7.2*	*7.8*	*6.7*	*6.2*	*-*	*-*
GS1 GDSN Inc.	*-*	*0.6*	*3.2*	*2.5*	*2.2*	*1.8*	*2.0*	*1.9*
Total GS1 Global Office	***10.4***	***17.6***	***24.2***	***26.6***	***25.6***	***24.9***	***24.5***	***24.0***
Staff	*35*	*58*	*76*	*79*	*79*	*82*	*74*	*76*
Cumulative Reserves *	***1.6***	***2.0***	***3.2***	***4.6***	***6.3***	***6.9***	***8.0***	***8.3***

* where Reserves are defined as reported net result; could be invested in cash, fixed assets or receivables

continue to decrease slightly or remain essentially stable for the next several years. In 2009-2010, the integration of EPCglobal into the Central Office brought the GS1 GO revenues to €24.5M, a reduction of €0.4M or 2% versus the year before. Our budget 2010-2011 calls for a further decrease of €0.5 M.

Income Statement and Headcount

Our consolidated Income Statement shows a positive result of €1,163K for the fiscal year ending June 2010. We continued to build a reserve, to cover current and future investments in new technologies and applications, but also to have the necessary reserves in case of adverse currency fluctuations. In the last seven years, we have built a cumulative surplus of €8.0M. Both our base business (managed from the GS1 Central Office) and GDSN contributed positively to the final result, despite absorbing the cost associated with the transition to a new service provider for the hosting and maintenance of the GS1 Global Registry.

On a cash basis, we increased our reserves by €1.5M to reach €5.4M at the end of June 2010.

In terms of types of expenses, our main investment remains our people, with 74 employees on the payroll at the end of June 2010, a reduction of 8 full-time employees as compared to the prior year. Discretionary spending, which includes travel, consulting, marketing and large user meetings/events (Global Forum, Industry Engagement/Standards Development events, General Assembly) was 13% below the prior year and continued to decline for the fourth year in a row.

GS1 Consolidated - FY 2009/10 Actuals for the period ending 30/06/10

Figures in thousands of Euros	Consolidated	GS1 Central Office	GDSN Inc.
Revenue	***24,522***	***22,494***	***2,028***
Fixed/Recurring Expenses	*2,821*	*2,505*	*316*
Discretionary Expenses	*7,156*	*5,984*	*1,171*
Payroll Expenses	*12,956*	*12,629*	*327*
Operating Expenses	***22,933***	***21,118***	***1,815***
Operating Result	***1,589***	***1,376***	***213***
Other Revenue / (Expenses)	*(426)*	*(426)*	*0*
Result for the period	***1,163***	***950***	***213***

Consolidation based on budget rate (1.30 USD/EUR)

GS1 Management Board, 2010-2011

Member	Title	Company
José LOPEZ	Vice Chairman Executive Vice President Operations & GLOBE	Nestlé S.A.
Timothy SMUCKER	Vice Chairman Chairman & Co-Chief Executive Officer	The J.M. Smucker Company
Miguel LOPERA (ex-officio)	President & Chief Executive Officer	GS1
Pierre BOUCHUT	Chief Financial Officer	Carrefour
David CALLEJA URRY	Chairman & Chief Executive Officer	GS1 Malta
Robert (Bob) CARPENTER	President & Chief Executive Officer	GS1 US
David CHING	Senior Vice President	Safeway Stores
J. Alexander M. (Sandy) DOUGLAS	President	Coca-Cola North America
Bruce EDWARDS	Chief Executive Officer	DHL Exel Supply Chain
Rollin L. FORD	Executive Vice President & Chief Information Officer	Wal-Mart Stores, Inc.
Christopher J. FRALEIGH	Executive Vice President & Chief Executive Officer Food & Beverage	Sara Lee Corporation
Werner GEISSLER	Vice Chairman Global Operations	The Procter & Gamble Company
Pierre GEORGET	Chief Executive Officer	GS1 France
Carlos Mario GIRALDO	President of Retail Business Operations	Exito Group
Takao IWAMOTO	President	AEON Global SCM Co. Ltd.
Sonny KING	Chief Executive Officer	Advantage Sales & Marketing
Philippe LAMBOTTE	Senior Vice President Global Customer Service & Logistics	Kraft Foods Global, Inc.
Meinrad LUGAN	Member of the Board of Management	B. Braun Melsungen AG
Rodney McMULLEN	President & Chief Operating Officer	The Kroger Company
Mike McNAMARA	Operations Development & IT Director	Tesco
Maria PALAZZOLO	Chief Executive Officer	GS1 Australia
Jörg PRETZEL	Chief Executive Officer	GS1 Germany
John RISHTON	President & Chief Executive Officer	Royal Ahold
Dave ROGERS	Executive Vice President	Daymon Worldwide
Dr. Ajit SHETTY	Corporate Vice President Enterprise Supply Chain	Johnson & Johnson
Pier-Luigi SIGISMONDI	Chief Supply Chain Officer	Unilever
N. Arthur SMITH	Chief Executive Officer	GS1 Canada
Joseph SPAGNOLETTI	Senior Vice President & Chief Information Officer	Campbell Soup Company
Hiromu UENO	Chief Executive Officer & Senior Executive Director	GS1 Japan
Zong-nan WANG	Chairman	Bright Foods (Group) Company Ltd.

GS1 GDSN Inc. Board of Directors, 2010-2011

Member	Title	Company
Milan TURK, JR.	Chairman Managing Director, Global Customer eCollaboration	The Procter & Gamble Company
Nihat ARKAN	Chief Executive Officer	SA2 WorldSync GmbH
José Maria BONMATI	Chief Executive Officer	GS1 Spain
Robert (Bob) CARPENTER	President & Chief Executive Officer	GS1 US
Ghislain ESQUERRE	B-to-B Competence Center – Director	Carrefour
Rafael FLOREZ	Chief Executive Officer	GS1 Colombia
Rob FUSILLO	VP Information Systems	Wal-Mart Stores, Inc.
Sally A. HERBERT	President	GS1 GDSN, Inc. GS1 Standards & System Development
David KERR	Vice President, Europe	GHX Europe GmbH
Lionel LECHOT	GLOBE Program Manager	Nestec Ltd
Terry MOCHAR	Global Business Development Director, B2B	Reckitt Benckiser plc
Ramesh MURTHY	Vice President, Supply Chain & Inventory Management	CVS Caremark
Nigel ORCHARD	VP, IT Europe & Global	Unilever
Maria PALAZZOLO	Chief Executive Officer	GS1 Australia
John PHILLIPS	Vice President of Customer Supply Chain and Logistics	PepsiCo
Ron RUDOLPH	Chief Technology Officer	Edgenet, Inc.
Pat. SALMONESE	VP & GM Product Master Data Management Business Unit	GXS
Antonio SALTO	Director, Global IS B2B	Kraft Foods Inc.
Dr. Gerd WOLFRAM	Head of CIO-Office	METRO AG

EPCglobal Inc. Board of Governors, 2010-2011

Member	Title	Company
Richard CANTWELL	Chairman Vice President & Global Head Retail/CPG/Transportation/Hospitality Internet Business Solutions Group	Cisco Systems, Inc.
Chris ADCOCK	President GS1 Industry Engagement and EPCglobal Inc.	GS1
Robert (Bob) CARPENTER	President & Chief Executive Officer	GS1 US
Didier CHENNEVEAU	Executive Vice President & Chief Supply Chain Officer	LG Electronics
Alan ESETEVEZ	Principal Deputy Assistant Secretary of Defense (Logistics & Materiel Readiness)	Office of the Secretary of Defense, United States of America
Louis KRATZ	Vice President, Corporate Logistics & Sustainment	Lockheed Martin Corporation
Antonio MAZZARIELLO	Head IT PSC & MDG TechOps	Novartis Pharma AG
Kiyoshi NISHITANI	Senior Vice President, Corporate Executive	Sony Corporation
Frank PETERS	Head of Global Enterprise Architecture	Daimler AG
Jörg PRETZEL	Chief Executive Officer	GS1 Germany
Michael ROSE	Vice President, Supply Chain Visibility Worldwide Supply Chain	Johnson & Johnson
Dr. Sanjay E. SARMA	Professor, Mechanical Engineering	Massachusetts Institute of Technology
Milan TURK, Jr.	Managing Director, Global Customer eCollaboration & Program Leader, Global EPC initiative	The Procter & Gamble Company
Hiromu UENO	Chief Executive Officer & Senior Executive Director	GS1 Japan
Dr. Keith ULRICH	Vice President - Head of Research & Innovation Management	DHL Solutions & Innovations
Carolyn G. WALTON	Vice President of Information Systems Division	Wal-Mart Stores, Inc.
Dr. Gerd WOLFRAM	Head of CIO-Office	METRO AG
Limin ZHOU	Vice President	Haier Group

GS1 Leadership Team

The members of the GS1 Global Office Leadership Team report to Miguel A. Lopera, President and CEO of GS1.

From left to right:

Philippe WÉRY, Chief Financial and Administration Officer

Patrick VANLOMBEEK, Chief Marketing Officer

Miguel A. LOPERA, President and CEO

Sally HERBERT, President of Standards & System Development, President of GS1 GDSN Inc.

Chris ADCOCK, President of Industry Engagement, President of EPCglobal, Inc.

GS1 in the World

Local services, global reach:
GS1 has 108 Member Organisations serving more than 150 countries around the world. Find the GS1 Member Organisation closest to you in the next pages, or visit www.gs1.org/contact

GS1 Member Organisations

The following information was correct when we went to press.
For the most up-to-date information, please visit www.gs1.org/contact

GS1 Albania
Tirana
+ 355 4 232073
info@gs1al.org
www.gs1al.org

GS1 Algeria
Algiers
+ 213 21 34 10 46
info@gs1.dz
www.gs1.dz

GS1 Argentina
Buenos Aires
+ 54 11 4556 4700
info@gs1.org.ar
www.gs1.org.ar

GS1 Armenia
Yerevan
+ 374 10 272 622
gs1arm@gs1am.org
www.gs1am.org

GS1 Australia
Mount Waverley
+ 61 3 95589559
gs1au@gs1au.org
www.gs1au.org

GS1 Austria
Vienna
+ 43 1 505 86 01
office@gs1.at
www.gs1.at

GS1 Azerbaijan
Baku
+ 994 12 4987405
ean@gs1az.org
www.gs1az.org

GS1 Bahrain
Manama
+ 973 17 456330
gs1@samahiji.com
www.gs1.org

GS1 Belarus
Minsk
+ 375 17 298 09 13
pav@gs1by.by
www.gs1by.by

GS1 Belgium & Luxembourg
Brussels
+ 32 2 229 18 80
info@gs1belu.org
www.gs1belu.org

GS1 Bolivia
Santa Cruz de la Sierra
+ 591 3 3334555
gs1.bolivia@cainco.org.bo
www.cainco.org.bo/GS1

GS1 Bosnia - Herzegovina
Sarajevo
+387 33 25 86 46
info@gs1bih.com
www.gs1bih.com

GS1 Brazil
São Paulo
+55 11 3068 6229
diretoria@gs1br.org
www.gs1br.org

GS1 Bulgaria
Sofia
+ 359 2 988 3139
gs1bulgaria@gs1bg.org
www.gs1bg.org

GS1 Cambodia
Phnom Penh
+ 855 23 88 25 76
ppcc@online.com.kh
www.ccc.org.kh

GS1 Canada
Toronto, Ontario
+ 1 416 510 8039
info@gs1ca.org
www.gs1ca.org

GS1 Chile
Santiago
+ 56 2 365 4200
info@gs1chile.org
www.gs1chile.org

GS1 China
Beijing
+ 86 10 62024528
info@ancc.org.cn
www.gs1cn.org

GS1 Colombia
Bogota
+ 57 1 427 0999
web@gs1co.org
www.gs1co.org

GS1 Costa Rica
San José
+ 506 2224 4722
informacion@gs1cr.org
www.gs1cr.org

GS1 Croatia
Zagreb
+ 385 1 48 95 000
info@gs1hr.org
www.gs1hr.org

GS1 Member Organisations

GS1 Cuba
Havana
+ 537 830 4436
gs1cuba@camara.com.cu
www.camaracuba.cu

GS1 Cyprus
Nicosia
+ 357 22 889800
info@gs1cy.org
www.gs1cy.org

GS1 Czech Republic
Prague
+ 420 234 633145
info@gs1cz.org
www.gs1cz.org

GS1 Denmark
Copenhagen
+ 45 39 27 85 27
info@gs1.dk
www.gs1.dk

GS1 Dominican Republic
Santo Domingo
+ 1 809 683 4727
info@gs1rd.org.do
www.gs1rd.org.do

GS1 Ecuador
Quito
+ 593 2 2507 580
info@gs1ec.org
www.gs1ec.org

GS1 Egypt
Cairo
+ 20 2 402 6623
info@eanegypt.com
www.eanegypt.com

GS1 El Salvador
El Salvador
+ 503 2205 1000
info@gs1sv.org
www.gs1sv.org

GS1 Estonia
Tallinn
+ 37 2 660 55 35
info@gs1.ee
www.gs1.ee

GS1 Finland
Helsinki
+ 358 9 4242 6280
asiakaspalvelu@gs1.fi
www.gs1.fi

GS1 France
Issy les Moulineaux - Paris
+ 33 1 40 95 54 10
infos@gs1fr.org
www.gs1.fr

GS1 Georgia
Tbilisi
+ 995 32 98 47 68
info@gs1ge.org
www.gs1ge.org

GS1 Germany
Cologne
+ 49 221 947 14 - 0
info@gs1-germany.de
www.gs1-germany.de

GS1 Ghana
Tema
+ 233 20 8184358
info@gs1ghana.com
www.gs1ghana.org

GS1 Guatemala
Guatemala City
+ 502 2245-9595
gs1guatemala@gs1gt.org
www.gs1gt.org

GS1 Honduras
Tegucigalpa M.D.C.
+ 504 235 7792
diselco@gs1hn.org
www.gs1hn.org

GS1 Hong Kong
Hong Kong
+ 852 2861 2819
info@gs1hk.org
www.gs1hk.org

GS1 Hungary
Budapest
+ 36 1 412 3940
info@gs1hu.org
www.gs1hu.org

GS1 Iceland
Reykjavik
+ 354 511 3011
info@gs1.is
www.gs1.is

GS1 India
New Delhi
+ 91 11 26 16 87 20
info@gs1india.org
www.gs1india.org

GS1 Indonesia
Jakarta
+ 62 21 3916289
info@gs1.or.id
www.gs1.or.id

GS1 Member Organisations

GS1 Iran
Tehran
+ 98 21 88935095
ahmad@gs1ir.org
www.gs1ir.org

GS1 Ireland
Dublin
+ 353 1 208 0660
info@gs1ie.org
www.gs1ie.org

GS1 Israel
Tel Aviv
+ 972 3 519 87 14
info@gs1il.org
www.gs1il.org

GS1 Italy
Milan
+ 39 02 777 2121
info@indicod-ecr.it
www.indicod-ecr.it

GS1 Ivory Coast
Abidjan
+ 225 08 48 90 59
noel.yavo@gs1ci.org
www.gs1ci.org

GS1 Japan
Tokyo
+ 81 3 5414 8520
jan@dsri.jp
www.gs1jp.org

GS1 Jordan
Amman
+ 962 6 56 200 38
info@gs1jo.org.jo
www.gs1jo.org.jo

GS1 Kazakhstan
Almaty
+ 7 727 394 88 53
info@gs1.kz
www.gs1.kz

GS1 Kenya
Nairobi
+ 254 2 0445 2680
info@gs1kenya.org
www.gs1kenya.org

GS1 Korea
Seoul
+ 82 2 6050 1501
admin@gs1kr.org
www.gs1kr.org

GS1 Korea DPR
Pyongyang
+ 850 2 18111 (ext. 381 8989)
psjdc@co.chesin.com
www.gs1.org

GS1 Kuwait
Kuwait
+ 965 431 3129
gs1kuwait@yahoo.com
www.gs1.org

GS1 Kyrgyzstan
Bishkek
+996 312 51 08 25
info@gs1kg.org
www.gs1kg.org

GS1 Latvia
Riga
+371 67830 822
gs1@gs1.lv
www.gs1.lv

GS1 Lebanon
Beirut
+ 961 1 744 161
info@gs1lb.org
www.gs1lb.org

GS1 Libya
Tripoli
+ 218 21 444 4545
info@gs1ly.org
www.gs1ly.org

GS1 Lithuania
Vilnius
+ 370 5 2614532
gs1@gs1lt.org
www.gs1lt.org

GS1 Macau
Andar
+ 853 2878 2385
gs1macau@cpttm.org
www.gs1mo.org

GS1 Macedonia
Skopje
+ 389 2 32 54 250
gs1mk@gs1mk.org.mk
www.gs1mk.org.mk

GS1 Malaysia
Kuala Lumpur
+ 603 6286 7200
gs1malaysia@fmm.org.my
www.gs1my.org

GS1 Malta
Ta' Xbiex
+ 356 21 337 225
info@gs1mt.org
www.gs1mt.org

GS1 Member Organisations

GS1 Mauritius
Port Louis
+ 230 208 3301
mcci@intnet.mu
www.mcci.org

GS1 Mexico
Mexico City
+52 55 5249 5249
info@gs1mexico.org.mx
www.gs1mexico.org.mx

GS1 Moldova
Chisinau
+ 373 22 24 16 69
info@gs1md.org
www.gs1md.org

GS1 Mongolia
Ulaanbaatar
+ 976 11 313 411
barcode@mongolchamber.mn
www.mongolchamber.mn

GS1 Montenegro
Podgorica
+ 382 20 658 277
office@gs1.me
www.gs1.me

GS1 Morocco
Casablanca
+ 212 522 39 19 13
info@gs1ma.org
www.gs1ma.org

GS1 Netherlands
Amsterdam
+ 31 20 511 38 88
info@gs1.nl
www.gs1.nl

GS1 New Zealand
Wellington
+ 64 4 494 1050
info@gs1nz.org
www.gs1nz.org

GS1 Nicaragua
Managua
+ 505 266 9810
gs1ni@gs1ni.org
www.gs1ni.org

GS1 Nigeria
Lagos
+ 234 01 737999
tunde@gs1-nigeria.org
www.gs1-nigeria.org

GS1 Norway
Oslo
+ 47 22 97 13 20
firmapost@gs1.no
www.gs1.no

GS1 Pakistan
Karachi
+ 92 21 2628213
info@gs1pk.org
www.gs1pk.org

GS1 Panama
Panama
+ 507 236 7907
info@gs1pa.org
www.gs1pa.org

GS1 Paraguay
Asunción
+ 595 21 202 518
info@gs1py.org
www.gs1py.org

GS1 Peru
Lima
+ 51 1 203 6100
gs1pe@gs1pe.org.pe
www.gs1pe.org

GS1 Philippines
Pasig City
+ 63 2 637 0897
info@gs1ph.org
www.gs1ph.org

GS1 Poland
Poznan
+ 48 61 85 049 71
gs1pl@gs1pl.org
www.gs1pl.org

GS1 Portugal
Lisbon
+ 35 1 21 752 07 40
info@gs1pt.org
www.gs1pt.org

GS1 Romania
Bucharest
+ 40 21 3178031
office@gs1.ro
www.gs1.ro

GS1 Russia
Moscow
+ 7 495 989 26 88
mail@gs1ru.org
www.gs1ru.org

GS1 Saudi Arabia
Riyadh
+ 966 1 218 24 95
gs1@csc.org.sa
www.csc.org.sa/gs1

GS1 Member Organisations

GS1 Senegal
Dakar
+ 221 77 677 03 33
gs1senegal@gs1senegal.org
www.gs1.org

GS1 Slovakia
Zilina
+ 421 41 565 11 85
info@gs1sk.org
www.gs1sk.org

GS1 Spain
Barcelona
+ 34 93 252 39 00
info@aecoc.es
www.aecoc.es

GS1 Switzerland
Bern
+ 41 58 800 70 00
mail@gs1.ch
www.gs1.ch

GS1 Tajikistan
Dushanbe
+ 992372 271167
gs1centre@mail.ru
www.gs1.org

GS1 Turkey
Ankara
+ 90 312 218 20 00
gs1turkey@tobb.org.tr
www.gs1tr.org

GS1 United Arab Emirates
Dubai
+971 4 221 40 10
gs1.uae@gmail.com
www.gs1.org

GS1 Uzbekistan
Tashkent
+ 998 371 252 6604
info@gs1uz.org
www.gs1uz.org

GS1 Serbia
Belgrade
+ 381 11 3132 312
office@gs1yu.org
www.gs1yu.org

GS1 Slovenia
Ljubljana
+ 386 1 5898320
info@gs1si.org
www.gs1si.org

GS1 Sri Lanka
Colombo
+ 94 1 5588862
gayathiri@chamber.lk
www.gs1lanka.lk

GS1 Syria
Damascus
+ 963 11 54 27 909
gs1syria@mail.sy
www.gs1sy.org

GS1 Thailand
Bangkok
+ 66 2 345 1194
info@gs1thailand.org
www.gs1thailand.org

GS1 UK
London
+ 44 20 7092 3500
info@gs1uk.org
www.gs1uk.org

GS1 Uruguay
Montevideo
+ 598 2 712 33 60
info@gs1uy.org
www.gs1uy.org

GS1 Venezuela
Caracas
+ 58 212 237 87 77
info@gs1ve.org
www.gs1ve.org

GS1 Singapore
Singapore
+ 65 6826 3080
sanc1@gs1.org.sg
www.gs1.org.sg

GS1 South Africa
Johannesburg
+27 861 242 000
services@cgcsa.co.za
www.gs1za.org

GS1 Sweden
Stockholm
+ 46 8 50 10 10 00
info@gs1.se
www.gs1.se

GS1 Taiwan
Taipei
+ 886 2 2393 9145
eantwn@gs1tw.org
www.gs1tw.org

GS1 Tunisia
Tunis
+ 216 71 23 11 22
info@gs1tn.org
www.gs1tn.org

GS1 Ukraine
Kyiv
+ 380 44 482 05 21
info@gs1ua.org
www.gs1ua.org

GS1 US
Lawrenceville, New Jersey
+ 1 609 620 0200
info@gs1us.org
www.gs1us.org

GS1 Vietnam
Hanoi
+ 84 4 3836 1463
info@gs1vn.org.vn
www.gs1vn.org.vn

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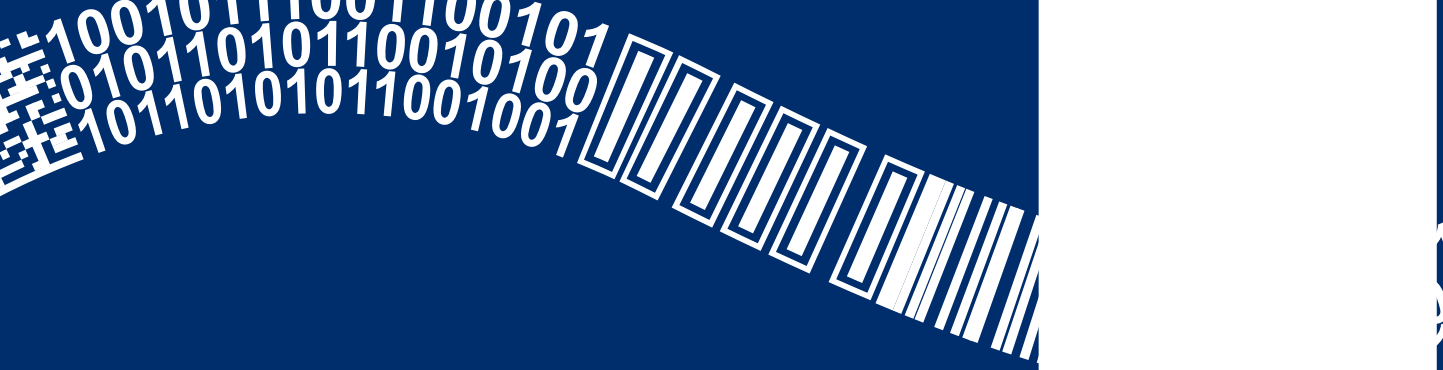

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GS1 AISBL
Blue Tower
Avenue Louise 326, b10
B-1050 Brussels, Belgium
T +32 (0)2 788 78 00
F +32 (0)2 788 78 99
contactus@gs1.org

www.gs1.org