



Contributing to Food Chain Safety through Corporate Social Responsibility

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PA CORPORATE SOCIAL RESPONSIBILITY



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Definitions

WHAT IS CSR?

CSR starts where all Regulations end?

(Prof. Dr. Alexander Rinnooy Kan from the Netherlands on 30 June 2009, Jakarta, Universitas Indonesia/PA CSR)

Could be, but the poverty-stricken part of the world is low on democracy, transparency and governance. Exactly because Administrations do not function properly (yet), investing industries must take on more responsibility – in their own interest

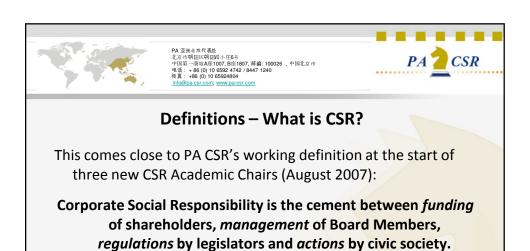


Therefore,

CSR Starts Where Administrations Stop Being Effective For Their Own Citizens? - Or where they have not even started trying to affect the wellbeing of their citizens?

If this is in the interest of both the Investor and the Area of Investment – and consequently of the country, the population and its Government? Yes!

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Definitions

WHERE IS CSR RELEVANT?

Everywhere where industry requires something from society that cannot be bought.... and requires to invest through....

a Business Plan

....because that is what Corporations are good at.

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Definitions WHEN SHOULD CSR BE IMPLEMENTED?

As soon as:

- CSR is an integral part of a successful and sustainable business strategy, pre-empting social and environmental problems while optimizing conditions for long term profitability
- It is an *organic link* between enterprising, profit-making and social development
- The more organic this link is, the more long-term profit is secured
- Organic implies that the inter-relationship between company and society is systematically managed on the basis of in situ research
- CSR research helps steer the realisation of basic conditions for long term profitable enterprising
- CSR is an integrated management tool for long term profitability and development while supporting short term goals in the areas of government relations and corporate communications
- A corporate CSR strategy cements corporate accountability to shareholders and corporate responsibility to all other stakeholders



Definitions

WHY BOTHER WITH CSR?

- Never as a hand out, always as a win-win-win for company, society and Government
- CSR is also an investment in the corporate goodwill, often cheaper and more
 effective than advertising Brand/corporate and shareholder value!
- The bigger and more visible the company is, the more critical scrutiny it receives and the more vulnerable is the corporate reputation and goodwill
- Nothing is a more powerful way to improve on many challenges in a society than a strong, mutually beneficial and focused Corporate-Social partnership focused on the common good







Food Safety - Elements

Food must be safe, i.e. not harmful to human health or unfit

- Prevention
 - Clean air, water and soil are needed to produce safe food
 - HACCP
- Inspection
 - Implemented along the entire food chain
- Certification
 - Individual responsibility for members of the Food Chain
 - Need for third party certification
- Enforcement
 - Often the weakest or the missing link

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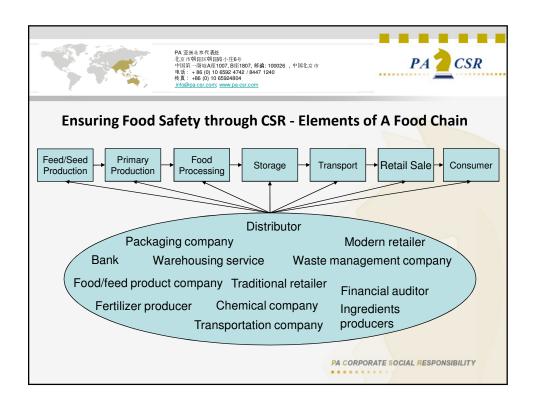
Ensuring Food Safety in Emerging Economies Cannot be done by Government only Certification is Required

- Certification is a very crucial issue in countries with consistent food safety problems
- Certification is mostly done by international companies applying international standards
 - But, it is very (too) expensive
 - Therefore, national standards for certification and a (all embracing) national organization may have to be created
- Substantial education & training programs are needed to obtain national certifiers in different sectors and branches of industry
- Certification (independent) leads to consumer confidence and brand recognition/value



More Food Safety through CSR

- National certification efforts are only relevant if internationally recognized
- Development of such national certification companies and an all embracing national certification organization requires investment from national/provincial/local administrations
 - But usually, not much knowledge or is budget available
- So Western food chain companies can establish CSR projects focussed at their (local) (trading) partners in the Food Chain – if at all possible through concerted action
- CSR/Food Safety Cooperation can follow the approach and system as implemented by major enterprises with a food chain of their own.



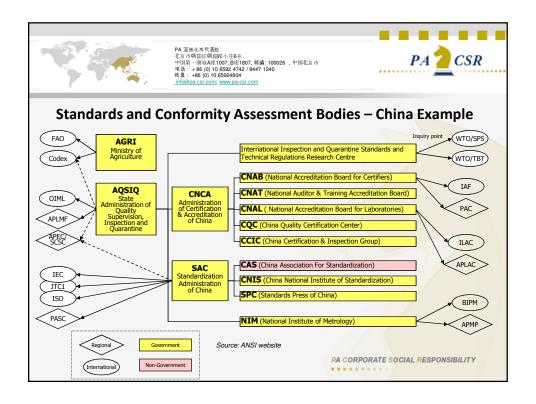


Increasing Food Safety through CSR

- All companies involved in a food chain that operate in countries with
 consistent food safety problems can individually or jointly use CSR
 programs to consistently, and over the long-term, assist a country/region in
 which they operate with such assistance as required to enhance/ increase/
 optimize the country's capacity at the national/provincial/local level to:
 - Certify all parts of the food chain
 - Conduct Risk Analysis and Risk Management
 - Help improve each element of the food chain (from stable to table)

Why all Parts?

 No matter how good a company organizes one element of a chain, if any other part of the chain doesn't perform, the whole chain is contaminated





Proposed Solution

- International Organisations and Multinational Enterprises to cooperate with national/provincial/ local administrations and partner/enterprises in order to:
 - Help create a national certification standard
 - Help establish a Council that will uphold certification standards and monitor certification companies
 - Help establish education and training institutions for certifiers
 - Help fund the establishment of national certification companies/ organizations, perhaps initially with link to existing major (international) certification companies to speed-up the process and ensure compatibility with international standards

