Sustainable Supplier Development Program

Food Safety Capacity Building Programmes in Emerging Markets

Malaysian Model

Presented at the International Symposium hosted by IDE-JETRO and UNIDO Tokyo, 19th September, 2013

Hiroki Tsukahara

Coordinator, Overseas Quality Management Manager,

Quality Management Department,

AEON Co., Ltd., Japan

AEON Malaysia at a glance

- \$ 1.4billion USD Sales revenue (2nd largest retailer group in Malaysia)
- ■55 stores
- Since 1984
- Malaysia is ASEAN hub for AEON group
- According to "Asian Shift",AEON targets to open100 stores by 2020.
 - * After acquisition of Carrefour's Malaysia on Nov, 2012





Background

Malaysia Govt.

UNIDO

AEON

Supplier

Develop domestic industries, and supply chains and increase job opportunities and income

Build sustainable industrial infrastructure, trade capacity and Public-Private Partnership

Shift to Asia, the role of GFSI facilitator in Asia, Provide safe food to customers

Expand opportunities in domestic and export markets

Sustainable sourcing

+ Safe food and products to consumers

SSDP: Overview

Public-Private-Partnership



- ✓ Cooperation with academic bodies
 - Provide technical expertise and capacity building program
 - Cooperation with external bodies and experts
- Train the trainers and enhance capacity to meet the standards



SSDP: Objective and Targets

Sustainable development

Establish capacity building platform

Promote local community sustainable development

Promote domestic market access and trade opportunity

For the sake of consumers in Asia

Promote opportunities to buy safe and reliable food

To what extent we can contribute to consumers



What is GFSI?

Global Food Safety Initiative

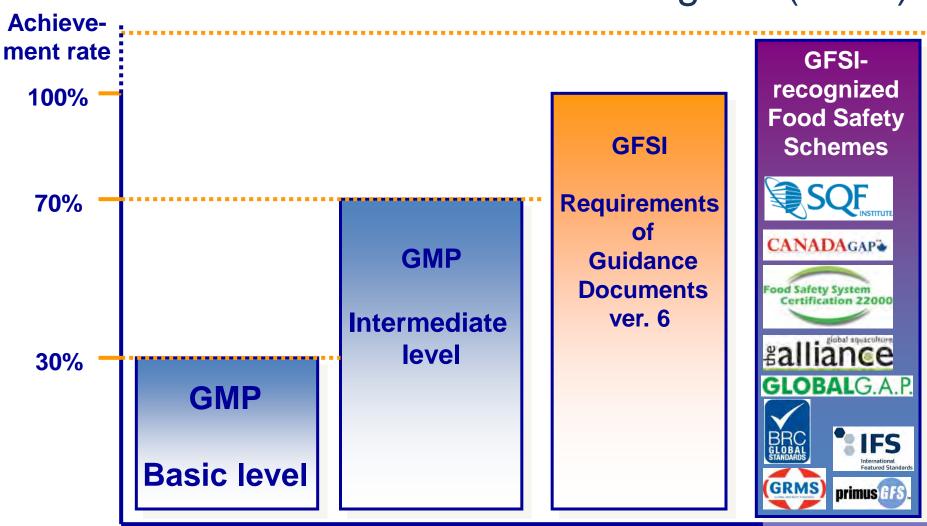


Shared responsibility through Collaboration



What is GFSI?

Illustration of Global Market Program (GMP)



SSDP Approach: Capacity Building

Pilot phase

Roll-out phase

Capacity building platform



25 suppliers

100 suppliers



Global Markets Programme
- Manufacturing

Global Markets Programme

- Primary Production

CSR Capacity Building Programme



Current Status; Launch

The kick Off ceremony was held in January, 2013 in Malaysia.

(with participation of delegates from AEON, UNIDO, MITI minister)



Full-fledged training was started in June, 2013.



Current status; Where are we?

Summary of pre-assessment

No. of factories assessed	25	Aeon suppliers: 14/25 companies	
		11 assessed by Aeon Malaysia	
		14 assessed by UNIPEQ	
Highest score	137/150 (perfect score)	Instant beverage manufacturer	
Lowest score	6	Frozen meat processor	
Average score	56.8		

Assessment criteria: Global Market Program for Manufacturing Basic level (+ Malaysia Food Hygiene

Regulations and Halal requirements)

FSM	Specifications, Traceability, Incident Management, , Control of non-conforming product, Corrective Action	3(scores) × 19(items)=57 scores
GMP	Personal hygiene, Facility environment, Cleaning & Disinfection, Product contamination control, Pest control, Water Quality	3×22=66
Hazards control	Food hazards control, Allergen control	3×9=27

Current status; Our challenges

Technical challenges

- Documentation is not complete.
- They do have a system but implementation yet to be done.
- Premise layout and condition, process flow, equipment and facilities do not comply with basic level requirements.
- Key personnels lack in experience and knowledge of food safety

Management challenges

The numbers of assessors and mentors are insufficient.



Countermeasures

- Increase the number of mentoring visits
- Advice for rearrangement of working flow, for establishment of a new system or update of the existing system.
- Train and guide key personnel for technical knowledge
- Internship program to support the selected companies
- →next slide



Current status; One solution

Internship program between Aeon Malaysia and Universiti Utara Malaysia

CUIC selects students in cooperation with Universiti Utara and Aeon Malaysia



Aeon Malaysia provides training on Global Market Program



Students stationed in designated factories to support Building quality management system



UNIPEQ provides mentoring to the factories and the students at factory vist

CUIC: Center for University
–industry Collaboration

- •3 month internship at the designated factories (9am to 5pm, five days a week)
- •Now, 2 students are on internship at two factories.
- •Costs for internship are borne by Aeon Malaysia.

US $$160 \times 2$ students $\times 3$ months



Future plan

2. Extend to neighboring countries

1. Establish Malaysian model successfuly

3. Expand across Asia



Thank you for your attention.

Hiroki Tsukahara

AEON Co., Ltd., Japan h_tsukahara@aeon.biz

