

Corporate Social Responsibility *in* Cambodia

Examples of Good Practice



Development and Partnership
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Introduction

What is Corporate Social Responsibility?

There are many different definitions of CSR. However, broadly, Corporate Social Responsibility aims to help companies ensure that they are doing business in an ethical way. In Cambodia, CSR has traditionally been based on a philanthropic model, where companies make profits by any means and then donate a share to charitable causes. However, a contemporary trend involves businesses going further and developing CSR by integrating social and environmental concerns in their core business operations. This involves taking account of the social and environmental impacts of business activity on a range of stakeholders, working to enhance positive returns and reduce negative externalities. Stakeholders may be directly or indirectly related to business operations: employees, unions, customers, suppliers, investors, NGOs, governments, wider communities.

The International Standards Organisation provides useful clarification of good CSR practices in its Guidance on Social Responsibility, which identifies seven core social responsibility subjects and seven key principles of socially responsible behaviour (see box, left). Developed by a team of more than 500 experts from 100 countries, with representatives from national governments, industry, consumer groups, labour organisations and NGOs, the ISO 26000 Guidance on Social Responsibility establishes voluntary criteria to help businesses translate these principles into effective action, regardless of activity, size or location.

CSR Definition

ISO 26000: Guidance on Social Responsibility

The seven core social responsibility subjects:

1. Organisational governance
2. Human Rights
3. Labour practices
4. The environment
5. Fair operating practices
6. Consumer issues
7. Community involvement and development

The seven key principles of social responsible behaviour:

1. Accountability
2. Transparency
3. Ethical behaviour
4. Respect for stakeholder interests
5. Respect for the rule of law
6. Respect for international norms of behaviour
7. Respect for human rights

For more information see: www.iso.org.

Why do Corporate Social Responsibility?

CSR is not designed to bring benefit only to stakeholders. Instead, carefully planned CSR policies and programs can help companies build resources and profits. Some of the benefits of CSR strategies for companies may include:

- **Direct cost savings:** reduce utility and resource use for lower operating costs
- **Indirect cost savings:** invest in workforce and generate productivity returns
- Building **better relationships:** with customers, suppliers and investors
- **Manage risk:** develop supply chain for quality and security of supply
- Retain and renew **customer base:** satisfy consumer demand and attract new consumers
- Develop **human resources:** recruit and attract top industry talent
- Develop **new products:** increase market share
- Enter **new market sectors:** enter high value ethical, organic and export markets
- Gain **international certification** and accreditation: prove product quality
- A source of **competitive advantage:** offer more than industry rivals
- Improve business **reputation:** be a brand people want to associate with
- Attract **investment and funding:** from CSR partners like NGOs and government, to big brands
- Generate **free, positive publicity:** opportunities from media interest in responsible practices

Examples of Good Practice

This collection of case studies on CSR good practices in Cambodia is the result of a DPA study, supported by Oxfam and Government of Sweden, into CSR trends in Cambodia. Through interviews with over 50 industry representatives and partners, DPA's research aimed to map current levels of CSR understanding, policies and programs undertaken in the Cambodian private sector. The findings suggest that CSR in Cambodia remains poorly understood as a concept, with many companies unsure about both the principles of CSR and how to effectively manage CSR programmes and policies.

In response, DPA has collected the following case studies of CSR good practices in Cambodia

What Cambodian Companies Say

“Owning a business is not just about developing your own business... If you want to develop your business then you must develop your country first. Poor people cannot buy your products.”

Business Federation Leader, Phnom Penh

to illustrate some examples where CSR has been meaningfully interpreted and effectively implemented by companies to facilitate the sharing of and learning from experience. In selecting good practice case studies to include within this collection, the International Standards Organisation's Guidance on Socially Responsible investment has served as a guiding framework.

The collection provides case studies of companies working to uphold the ISO 26000 Guidance on Social Responsibility's Seven Key Principles of Socially Responsible Behaviour (see page 4). These are presented across 5 themes: labour, environment, community consultation and engagement, business ethics, and gender transformation. However, the case studies featured rarely fit neatly into one of these categories. Instead, the best CSR strategies in Cambodia have multiple and overlapping aims to bring an integrated range of economic, social and environmental benefits to the full spectrum of stakeholders.

This collection represents an effort to identify good practices in applying CSR. It is “work in progress” and wants to encourage all stakeholders to apply CSR. The publication does not imply that the publishing agencies do fully endorse or agree on the published companies full policies and practices, which have not been subjected to independent evaluation or assessment. Instead, this publication highlights companies who demonstrate willingness to work towards more socially responsible modes of business. In doing so, it aims to widen understanding and further debate on the role of CSR in Cambodia.

CSR Good Practice:

Labour

Pactics: Health and Safety First

Pactics is a leading microfiber accessories manufacturer, making items like sunglasses cases and cloths for leading brands including Ray-Ban and Oakley. Their first production plant opened in Shanghai, China, in 2009 and a Siem Reap site followed soon after. Today, Pactics employs more than 300 workers at its factory in Siem Reap, a culturally rich but economically deprived province.

Pactics' core values prioritise the 'needs of our planet and our people' and the company places high importance on the social and environmental impact of their business. When they set up in Siem Reap, they were unimpressed with the standards of industry competitors: low wages and poor working conditions were damaging worker health and hurting industry profits, since workers' ill health resulted in low rates of productivity and high rates of turnover, impacting their company's bottom line. Pactics wanted to do better and set out to establish a more sustainable model that would be kinder to their environment and their employees.

Pactics built its core values into the foundations of its operations in Siem Reap – quite literally – with a cutting-edge factory design that employs energy-saving technology to protect the natural environment beyond its walls whilst creating a safe and pleasant working environment within.

Following the advice of Better Factories Cambodia, the company has created a bright and cool workspace, where big windows and a ventilation system give natural daylight and a flow of fresh air. When night falls, LED lighting takes over, powered by solar panels on the roof.

As a business operating for-profit, Pactics know they must balance social responsibility with

Company Profile

Pactics



Source: www.pactics.com

■ Sector

Manufacturing

■ Activities

Making microfiber accessories

■ Find out more at

www.pactics.com

■ Aims and goals

'To protect our planet and our people'

■ Strategy and method

Design innovation, health insurance, safety schemes

■ Company benefits

Direct cost savings, competitive advantage

economic reality. Yet though this bespoke factory design may seem like a hard-to-justify expense, Pactics state that it actually saves money. Notably, relying on natural resources has reduced energy bills and operating costs. But Pactics also believe that investing in their workforce is an investment in their business. As well as protecting worker's health on the production line, helping workers to avoid common complaints like headaches and fainting that result from low light and high temperatures, they subsidise

meals and motorbike helmets for staff, and provide health insurance and child care. A happy workforce means low turnover and high output, allowing them to guarantee superior products, delivered on time.

Ultimately, it is the quality and efficiency of their output helps them attract and retain contracts with big brands, but their pro-people and pro-planet policies help leverage competitive advantage. Consumers overseas are increasingly concerned about the ethics of production and fast-fashion models, which they perceive prize economics above employees. In the wake of damaging news stories, like factory collapses in Bangladesh, big brands are worried that poor standards of factories in their supply chains might suck them into in PR scandals and damage their reputation. Instead, Pactics' work gives international buyers confidence.

Green Eagle Eco Agro Farm: Investing in Training

Green Eagle was founded more than a decade ago, with a simple idea to raise standards and productivity in Cambodian agriculture: distribute carefully chosen seeds that farmers could rely upon to produce a healthy yield. Working with partners in Malaysia, Green Eagle identified 48 crops suited to the soil and climatic conditions of Cambodia and began to supply these across the country. Gradually, however, Green Eagle became aware of other factors limiting the success of Cambodian smallholders and have responded with a series of further innovations to enhance local livelihoods.

Observing that smallholder security is being eroded by imports that flood the local market and lower prices, Green Eagle believe promoting domestic agriculture is key to transforming the lives of ordinary Cambodians. Every day, 400 tonnes of vegetables enters the country, meaning every year some \$200 million dollars leaves. Green Eagle's vision is to prevent that wealth from exiting and redistribute it to local farmers.

The Eco Agro Farm is one of Green Eagle's core enterprises, growing vegetables for distribution on domestic and export markets. Comprising 86 hectares, the farm is fully organic and employs around 100 people who are provided many benefits: workers have health insurance and are given accommodation to live with their families on site. Whilst parents tend the fields, the children attend the Farm's free schools. With low costs and high wages, rising to \$10 with

Company Profile

Green Eagle

■ **Sector**

Agriculture

■ **Activities**

Growing and trading crops for export

■ **Find out more at**

www.entreebaitangcenter.com

■ **Aims and goals**

Produce for export

■ **Strategy and methods**

Workplace benefits, employee training

■ **Company benefits**

Product quality assurance, international accreditation, international markets

experience, families can easily meet living costs and save funds for the future.

Saving is important because Green Eagle does not consider its farmers as workers but, rather, 'trainees'. The goal is to teach trainees to farm sustainably so they can develop their own agricultural enterprises. Trainees are not only shown the technical side of organic farming, like how to make compost fertiliser and botanical pesticides, but are taught to manage a farm business using calendar planning, which means thinking about what to plant and when, to ensure a year-round income.

Ultimately, Green Eagle has three career paths available to its trainees. The first to stay put since skilled workers on the farm earn high wages. However, many workers do not want to be lifelong labourers and have dreams of running their own farms. Therefore, if workers have land at home, a second option is to return and put their training into practice, using organic methods on own farm. Green Eagle buys the harvest, ensuring market access. For those workers who have no land to return to, Green Eagle has a third option: it will lend a 3000m² farming plot at the site, for a period of 3-5 years. If families work hard and save money through this time, they can then raise enough capital to buy their own plot.

In the future, therefore, Green Eagle expects to develop its graduates into a network of skilled suppliers, from whom Green Eagle can source high-

value produce. A close relationship to its supply-chain means Green Eagle guarantees the quality of its products. Quality assurance is vital as Green Eagle looks to the lucrative export market: helping the company secure the international standard certification that foreign markets require.

Amru: Organic Agriculture

Amru Rice is a market leader in the Cambodian rice sector. Founded in 2011, the company grew to become one of the Kingdom's top 4 rice exporters since 2012. From a single mill on the outskirts of Phnom Penh, Amru has expanded to include operations in Battambang and Kampong Cham.

Amru's ambitions extend further, however. Their vision is 'to become a global trading house in agricultural and food-related products'. The company's achievements to date have taught them that customer satisfaction is the key to success. As such, to fulfil their objectives, they know they must continue to prize the quality and purity of their produce. Yet the nature of Amru's business means that the company's high standards cannot be guaranteed in-house. Instead, Amru relies on its suppliers – the farming community – to sow, harvest and deliver a superior crop.

Given Amru's ties to the farming community, the company makes a determined effort to promote development of the local rice industry by enhancing small farmer's income and livelihoods. In partnership with civil society organisations, such as the Cambodian Agricultural Research and Development Institute (CEDAC), Amru early projects involved distributing rice seeds to small farmer suppliers, providing training in cultivation techniques and guaranteed purchase of the resultant crop. The particular variety of seed, known as Phka Romduol or Phka Malis, is a Cambodian native fragrant species that is not only widely regarded as the most delicious but is high yield, resilient, and high value. In this way, the project has environmental and economic benefits: preserving indigenous species, delivering consumer satisfaction and company profit, and protecting farmers' incomes from drought and flooding that are common across Cambodia.

Amru's latest project, however, has even greater impacts. With the help of local and international organisations, including the Cambodian Organic Agriculture Association and the German and French development agencies, GIZ and AFD, Amru is

Company Profile

Amru Rice



Source: www.amrurice.com.kh

■ Sector

Agriculture

■ Activities

Rice – from growing to export

■ Find out more at

www.amrurice.com.kh

■ Aims and goals

Market expansion, customer satisfaction

■ Strategy and method

Organic farming, smallholder training

■ Company benefits

New products, high value, maximise returns

working to train small farmers to produce organic rice products. Amru's organic farming practices prohibit the use of chemical or artificial fertilisers and pesticides in the rice growing process. Instead, Amru's small farmers employ environmentally sustainable methods that release far fewer pollutants into the soil or atmosphere, thereby protecting the health of the farming community and consumers, maintaining the ecological balance between humans and nature, and preserving Cambodia's paddy for future generations.

Amru's hard work at harvesting quality products for consumers, whilst safeguarding the planet and livelihoods of its small farm suppliers, is harvesting reward for the company too. In 2015, Amru was awarded organic certification by ECOCERT France, making Cambodia's 'white gold' an internationally recognised product. With this certification, Amru is able to expand its market share by introducing new products, entering new sectors and securing high financial returns from the high value organic rice market.

CSR Good Practice:

Environment

Sustainable Green Fuel Enterprise: Product Innovation to Reuse, Reduce, Recycle

The Sustainable Green Fuel Enterprise (SGFE) was founded in 2008 with the support of two NGOs: GERES, an independent non-profit whose focus is on developing renewable energy, and Pour un Sourire d'Enfant, a community organisation that assists poor households living in the suburbs of Phnom Penh. SGFE was developed to jointly tackle these challenges, creating a business enterprise that both produces more sustainable fuel resources and provides a stable income for those in need.

Finding clean and sustainable fuel alternatives is an urgent priority in Cambodia, where illegally harvested wood charcoal is most common source of energy used for cooking in urban homes. In Phnom Penh alone, 200 tonnes of illegal wood charcoal is burned every day: to provide this fuel, thousands of hectares of forest are destroyed each year, contributing to the Kingdom's already alarming rate of deforestation.

SGFE has a creative solution: recycling natural waste, like coconut husks, and transforming it into charcoal briquettes. This recycling process keeps Phnom Penh's streets clean and prevents waste from going to landfill dumps, where harmful gases are released as it breaks down. Moreover, each briquette that SGFE makes replaces 1.1 kg of traditional wood charcoal, protecting 6.6 kg of wood in Cambodia's threatened forests.

SGFE's social commitments are met through its recruitment policy: its 16 staff members are all former waste pickers, who used to earn a living by combing

Company Profile

Sustainable Green Fuel Enterprise



Source: www.sgfe-cambodia.com

■ Sector

Manufacturing

■ Activities

Making 100% recycled charcoal briquettes

■ Find out more at

www.sgfe-cambodia.com

■ Aims and goals

Sustainability

■ Strategy and method

Product innovation, reuse, reduce, recycle

■ Company benefits

New product, new customer base

the city dump for recyclable materials to trade. SGFE has provided them with secure income and safer working practices.

Through these efforts, SGFE has developed an original product to meet the demands of the Cambodian market. Indeed, SGFE's briquettes are not only a cleaner and more sustainable fuel but are also more efficient than wood charcoal, delivering a high quality product for customers that burns longer than its traditional rival, without smells or smoke.

CSR Good Practice:

Community Consultation and Engagement

Ezecom: Empowering Youth Through Digital Technology

Ezecom is one of Cambodia's biggest providers of communication services. Launched in 2007, the company has grown to supply thousands of homes and businesses throughout Cambodia with internet, cloud storage and web hosting packages. Ezecom's mission statement emphasises the importance of 'innovation and improvement' for its business strategy: the company was the first communications provider in the country to invest in a submarine cable network, bringing Cambodians a faster, more reliable and more affordable internet service.

Their pioneering approach extends beyond developing their products, however. In 2014, EZECOM was among the first handful of companies in Cambodia to sign up to the United Nations' Global Compact (UNGC) charter. The Global Compact is the world's largest corporate responsibility drive: over 12,000 organisations across 170 countries have signed up to date, promising to bring their working practices in line with universal principles of human rights, labour, business ethics and environmental protection. As part of its participation in the initiative, Ezecom must assess, measure and report on its activities towards fulfilling its commitments over these domains.

Ezecom's efforts go still further, however, beyond the realm of its own practices and products. For Ezecom, technology promises to be a tool that can drive wider societal development. Fuelled by the belief in this transformation potential, one of Ezecom's core objectives is to widen access to digital services and deliver their key communications packages beyond their client base to reach those in most in need.

Company Profile

Ezecom



Source: www.ezecom.com.kh

■ Sector

Communications

■ Activities

Providing internet, cloud storage and web hosting

■ Find out more at

www.ezecom.com.kh

■ Aims and goals

Sustainability

■ Strategy and method

International accreditation, capacity building

■ Company benefits

International profile, growing market

In this respect, Ezeecom's flagship programme is the EZEKAMPUS scheme. Since 2012, Ezeecom has gifted Cambodia's top universities free and unlimited internet services, to ensure the country's brightest young talents remain connected to the vast wealth of knowledge, research and learning resources available online. Already, 65,000 students and teachers from over 50 academic and vocational training colleges have benefitted from the EZEKAMPUS project.

This flagship scheme is boosted by a range of other activities, supported by private- and public-sector partners, to further Cambodia's technology take-off. There is the Khmer Smart Keyboard app, a Phnom Penh start-up backed by Ezeecom to deliver quicker and more efficient smart phone use, and Gadget Girl, a collaboration with Stuff magazine to promote women's involvement in technology. High profile initiatives such as these have helped cement Ezeecom's reputation as Cambodia's caring communications provider. But as Ezeecom builds the capacity of the Kingdom's young people, it is also making a shrewd investment in its own future. As increased capacity leads to heightened consumer demand, Ezeecom can expect their profit to rise through greater uptake of its digital products and services. When EZEKAMPUS's 65,000 grateful graduates enter the workplace, for instance, they will already know who to turn to for their communications solutions.

Angkor Gold: Free, Prior and Informed Consent

Angkor Gold is the first North American publicly-traded mineral exploration company in Cambodia. Under license from the Royal Government of Cambodia, Angkor Gold is surveying a total of 1448 km² of land in the north-eastern region of Cambodia, where their team of international and local geologists work together to explore the Kingdom's hidden wealth of mineral resources, thought to include precious metals and gemstones, like gold, rubies, and sapphires. Developing mining prospects in partnership with other excavation companies, Angkor Gold aims to unearth Cambodia's buried treasures to develop the Kingdom's natural resource potential.

Due to the practices of some companies within the industry, the mining sector suffers from a bad reputation in Cambodia, associated with community

Company Profile

Angkor Gold



Source: www.angkorgold.ca

■ Sector

Extractive

■ Activities

Mineral exploration

■ Find out more at

www.angkorgold.ca

■ Aims and goals

Build communities

■ Strategy and method

Establishing 'Free Prior and Informed Consent'

■ Company benefits

Competitive advantage, project approvals

protests, demonstrations and conflict. These clashes do not only tar the industry's image but can create lengthy delays for projects, stalling work. Angkor Gold works to overturn these negative connotations and create a better business environment: promoting the value of cooperation with local communities, becoming a company that works to improve lives.

Angkor's core approach lies in engaging with local communities, listening and responding to their needs. When building an access road for their Phum Syarung mine, for example, Angkor Gold became among the few companies in Cambodia to employ the 'Free, Prior and Informed Consent' (FPIC) approach. The FPIC approach entails working with affected communities to win approval for development projects – crucially, before any work takes place.

At Phum Syarung, Angkor Gold hosted FPIC meetings with the whole village each month to listen and learn about residents' views on the road construction project and other community needs. Together, the community and company created a

sustainable development plan incorporating local requirements. Community needs vary between villages: some need clean water supplies, others are looking to develop new economic activities, benefit from education and training programmes, or health facilities. After understanding and building a plan around specific community responses, Angkor Gold collaborated to find solutions, looking for development partnerships to help improve the quality of life and livelihoods.

In this way, investing communities with a sense of ownership and ensuring benefits to all stakeholders, the company was able to win Free, Informed and Prior Consent for its planned activity.

The land of twenty-six farmers was affected by the construction plan: all twenty-six lent thumbprints or signatures to a formal agreement with the company, giving support for the road-building activity to commence.

Collaborating with communities to create sustainable impacts helps keep Angkor Gold's projects running on track and on time. More than this, however, Angkor's commitment to sustainable initiatives is what makes the company stand out in the marketplace, with investors recognising the efforts of the company to live up to its own promise to 'Make a Change; Make Cambodia Better!'

CSR Good Practice: Business Ethics

Cambodian Rice Federation: Promoting Collaboration and Cooperation

The Cambodian Rice Federation is a democratic body, established in 2014 to provide a collective voice for the Cambodian Rice Industry. It brings together 213 members that span the rice supply-chain in Cambodia, from growers to millers and exporters.

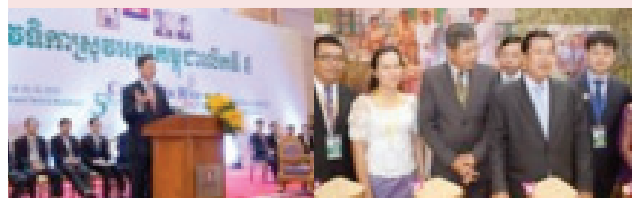
The broad aims of the organisation are to represent and promote Cambodian rice on the international stage. To do so, the Federation employs a three core strategies: first, to raise productivity at all levels, from farming to milling; second, to lower the costs of the export process; third, to promote industry-wide practices that meet the strict ethical standards in order to ensure the continued quality, reputation and sustainability of Cambodian rice.

Maintaining the highest standards is vital to the Federation's aim of raising the profile of Cambodian rice on the international stage. International consumers, particularly in Europe, demand products of the best quality origins: food hygiene safety certification is already essential and the Federation has noticed an increasing trend of demand for sustainable methods of production, with organic and fair trade certifications rising as a result.

As with any industry, the success of rice products depends on cooperation and trust between the supply-chain. This is especially important for Cambodian rice growers because of the local and small scale of much farm production, undertaken by households. The activities of a farmer on his own plot of land have direct impacts on the plots adjacent and surrounding it: the inputs used, whether fertiliser, weed and pest control products, or water, will all be shared among neighbouring plots.

Company Profile

Cambodian Rice Federation



Source: www.crf.org.kh

■ Sector

Agriculture

■ Activities

Business association

■ Find out more at

www.crf.org.kh

■ Aims and goals

Encourage supply-chain to work together for mutual benefit

■ Strategy and methods

Forums, training

■ Company benefits

Quality assurance, high value products

Trust and transparency between farmers is therefore vital to guarantee industry standards. Because of this, the Federation stages many activities designed to development of cooperation between growers in the sector. These include frequent training sessions that bring together community members to build relationships, help people understand the meaning of cooperation and explain the advantage of collaborative practices.

Through these efforts at the smallest level, the whole industry benefits. The focus on quality at all stages of the production process led to Cambodian Premium Jasmine rice being recognised as the World's Best Rice for three years in a row to 2014. This proof of superiority continues to drive international demand, boosting export revenue for all those in the supply-chain.

M's Pig: Supporting Smallholders

Mong Reththy Group is the largest agro-industrial company in Cambodia, with activities spanning a range of markets: rice, rubber, oil palm and fruit plantations represent only a handful of the company's core production concerns. In 2008, the company established a novel venture, M's Pig, aiming to revolutionise the livestock landscape in the Kingdom by becoming the first company to rear premium pork products inside the country. Previously, premium pork was available only through import.

Indeed, in 2008 Cambodia's pig industry was in a rather sorry state. Large-scale pig-smuggling from Thailand was hurting the domestic market, undercutting pig prices. At the same time, the cost of common pig feed inputs, like corn, soybeans and rice dust was increasing, in some cases doubling year on year, as part of a global world food price crisis. As a result, small producers were being squeezed out of business: profit margins were not just being trimmed but eliminated, as rising costs made the costs of rearing pork much higher than sale prices.

When M's Pig entered the industry with a \$5 million pork processing plant in Preah Sihanouk province, they knew they had to take effective action to support their supply-chain and sustain pig producers. The alternative – a volatile, weak quality and limited supply – would not bring return on their investment, leaving the plant processing far below capacity.

M Pig's solution was to help pig farmers to produce. Their first step was to improve the quality of livestock, identifying a breed that reaches maturity must faster than native species: M Pig's live stock can be brought to market in just four months, rather than six to eight. Yet there was still a problem: small farmers could not meet the start-up costs associated

Company Profile

M's Pig ACMC



Source: www.mongreththy.com

■ Sector

Agro-industry

■ Activities

Pig production

■ Find out more at

www.mpigacmc.com

www.mongreththy.com

■ Aims and goals

Raise production

■ Strategy and methods

Contract farming, smallholder training

■ Company benefits

Guarantee supply, maximise returns

with this new high-tech mode of pig farming. M Pig had to step in again, investing to set up small farmers with all the essential equipment for pig-rearing. M Pig provides its producers with not only livestock but the feed, vaccinations, and technical training needed to raise them. M Pig continues to support its farmers through all kinds of crisis: where disease or death affects livestock populations, for example, M Pig will provide new stock, helping farmers to recover from shocks.

The outcome of M Pig's caring approach is positive for the small farmers in its supply-chain and positive for the profits of its processing plant too. Where small farmers are assisted to grow pigs, they also grow their livelihoods base, adding a low risk activity with a guaranteed market and vital production support. M Pig's plant benefits from a guaranteed supply, which helps it make the most of its processing capacity and maximise returns.

CSR Good Practice: Gender Transformation

Sothy's Pepper Farm: Economic Empowerment of Women

Sothy's Pepper Farm was founded in Kampot Province in 2013. Over 2 hectares of land, the farm grows its eponymous Kampot Pepper plants and a range of local Cambodian fruit produce, like mango, durian and rambutan.

In the beginning, Sothy's pepper trade was slow and she needed to establish additional activities to support the farm. Sothy noticed, too, that other women in the local community were struggling to get by. Whilst men in the community could find work labouring on local farms, like her own, women had few opportunities beyond the household. A limited number had found employment at a local orphanage but, with a monthly salary of \$50, wages were low. For women with responsibility to care for children or elderly relatives, finding income outside the home was near impossible.

Sothy worked with the women in her community to provide an alternative that would benefit both parties. She asked them to supply her pepper farm with local handicrafts, which she would use to raise revenue by promoting foreign tourist visits to the farm. Local women, in return, receive a steady stream of income from the goods they produced.

The items made by Sothy's producers are traditional crafts, building on the skills women already possess: kramas, palm straw hats and woven baskets. Through making and supplying these everyday items, women can earn as much as 20,000 or 40,000 riel per day, depending on the season. Importantly, they can work from home, allowing all women access to the activity, even those with responsibilities for the household.

Company Profile

Sothy's Pepper Farm



Source: www.mykampotpepper.asia

■ Sector

Agriculture

■ Activities

Fruit and pepper production

■ Find out more at

www.mykampotpepper.asia

■ Aims and goals

Increase revenue

■ Strategy and methods

Local handicrafts production

■ Company benefits

Expanding products, new market

This income provides local women with independence and economic empowerment, enabling them to make additional investments in household production activity, for example, or educational opportunities for their children. For her part, Sothy has developed a new product line and expanded her customer base, bringing foreign tours to her plantation. The success of this strategy is evident in Sothy's plans for further expansion: building bungalow accommodation so that her visitors can enjoy overnight stays.

Sacha Inchi: Promoting inclusion

Sacha Inchi trade star beans. Their business model employs a system of contract farming. The company has a network of small farmers who grow the star bean crop and supply it at an agreed price. It is important that local growers produce a crop that matches Sacha Inchi's strict standards that promote organic methods because a proportion of the crop will be processed for use in cosmetic products, which in lucrative international markets have special testing and labelling regulations. To ensure the quality of their supply, therefore, Sacha Inchi provide seeds, technical training and ongoing support to farmers.

To develop their business, Sacha Inchi need to keep expanding their network of growers. To achieve this expansion, they employ and train local representatives across every province of Cambodia. The job of these local representatives is to get active in their communities, talking to farmers about the benefits of growing star beans and persuading them to produce the crop for the company. Representatives work on a commission basis, securing a small price for every kilogram of star beans bought by the company.

Sacha Inchi work hard to encourage women to take on roles as company representatives. They have observed a trend in rural areas where women play an increasing role in planning and undertaking agricultural activities within households. In many cases where farm tasks are shared between men and women in the household, it is often women who show most enthusiasm for learning new methods and adopting new varieties of crop. In addition, there are increasing numbers of households where men work away from the fields to earn cash incomes, leaving farm work to women. Sacha Inchi believe it is necessary to target these women to grow their crop and that is why they are keen to recruit women to ask as representatives for the company: local female farmers find it much easier to talk and share ideas with other women.

Sacha Inchi do not always find it easy to recruit female representatives, however. One problem that women regularly find prevents them from working for

Company Profile

Sacha Inchi



Source: www.facebook.com/sachainchi.cambodia

■ **Sector**

Agriculture

■ **Activities**

Fruit and pepper production

■ **Find out more at**

www.facebook.com/sachainchi.cambodia

■ **Aims and goals**

Expand business, raise revenue

■ **Strategy and methods**

Recruit women, flexible working

■ **Company benefits**

Greater supply

the company is their already busy workload, which often includes household task, childcare and work on their own farms. To overcome this, Sacha Inchi have developed a flexible working arrangement. This flexible arrangement allows women to share their representative role with other members of the household. A husband and wife team, for example, can divide and switch roles as suits their needs.

Following this strategy, Sacha Inchi have managed to recruit, train and retain a large proportion of female representatives. This has helped them build a network of suppliers that stretches the length and breadth of Cambodia.

CSR Resource Toolkit

UN Global Compact

The Global Compact is a United Nations initiative to promote sustainable and responsible business practices. The scheme is voluntary. To join, CEOs must sign a 'letter of commitment'. The letter of commitment is a declaration to uphold ten principles regarding human rights, labour, the environment and anti-corruption. Global Compact members produce short annual reports to describe their activities in support of the ten principles.

See: www.unglobalcompact.org

International Standards Organisation (ISO)

The International Standards Organisation, or ISO, develops and publishes international standards for product quality assurance. Companies who meet the ISO's standards can apply for certification of their products. Currently, the ISO has published over 19,000 standards. Popular standards include 'environmental management', 'social responsibility', 'occupational health and safety', and 'food safety management'.

See: www.iso.org

The Global Reporting Initiative

The Global Reporting Initiative is an international independent standards organization that helps businesses, governments and other organizations understand and communicate their impacts on issues such as climate change, human rights and corruption.

See: www.globalreporting.org

Ecocert

Ecocert is an inspection and certification body for sustainable development. Certification is available to companies committed to environmentally friendly and socially responsible production. A range of certifications are available, including 'organic farming' and 'natural and organic textiles'.

See: www.ecocert.com

GLOBAL G.A.P.

G.A.P. represents Good Agricultural Practice and the core of GLOBAL G.A.P.'s objectives is to promote safe, sustainable agriculture worldwide. GLOBAL G.A.P. work in three principle sectors: crops, livestock and aquaculture. They provide a voluntary standard of certification that guarantees product safety, environmental impact, and the health, safety and welfare of workers and animals.

See: www.globalgap.org

Hazard Analysis and Critical Control Point (HACCP)

The HACCP promotes food safety by identifying biological, chemical and physical hazards in production processes. Following the principles of HACCP, producers are guided to build a food production management system, which helps ensure that the food they make is safe for consumers.

See: www.haccpalliance.org

Corporate Social Responsibility *in* Cambodia

Examples of Good Practice



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