



RISK PREVENTION AND PRODUCTION OF SAFE (HALAL)
FOOD THROUGH SUSTAINABLE DEVELOPMENT AS PART
OF BUSINESS STRATEGY ON TITLE

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RISK PREVENTION AND PRODUCTION OF SAFE (HALAL) FOOD THROUGH SUSTAINABLE DEVELOPMENT AS PART OF BUSINESS STRATEGY ON TITLE

AS Holding Group, the largest food chain in Bosnia and Herzegovina, has embraced a business strategy that acknowledges the necessity of adapting its operations to the challenges posed by climate change and aligning with the global objectives of sustainable development by 2030.

This paper will elucidate the implementation and integration of the new iteration of Halal BAS 1049:2023 with sustainability standards such as RSPO (Roundtable on Sustainable Palm Oil) and RA (Rainforest Alliance) within the confectionery industry's supply chain, highlighting the benefits for all involved stakeholders. Enterprises transitioning towards renewable energy sources, curbing CO2 emissions, instituting recycling and waste management practices, reducing organic waste, embracing advanced technologies for minimal processing, and adhering to the trends and requirements of global food safety initiatives (GFSI) enhance and fortify their ESG performance



INTRODUCTION

AS Holding and its subsidiaries recognize the necessity of adapting business operations to the challenges posed by climate change and aligning with the global sustainable development goals by 2030, with a focus on the safety and security of finished products. Within the largest food chain, the companies engage in core activities such as:

- Production and packaging of roasted and ground coffee, instant coffee, tea, soups, spices, and sweet powdered products, snack products, repackaging of parboiled rice, production and packaging of ready-made risotto blends, production of instant suti mixture.
- Fruit and vegetable procurement and processing company;
- Processing and production of milk and dairy products;
- Extraction and bottling of natural spring and mineral water;
- Production and sale of milling and bakery products, animal feed products;
- Development, production, and sale of standard and special types of bread and pastry flour, frozen semi-finished dishes, biscuits, tea cakes, sweets, pasta, and tahan halva;
- Cocoa bean processing and production of cocoa products, Chocolate production, Cream spread production, Jelly-filled biscuit production, Chocolate-coated biscuit production, Petit biscuit production, Tea ring production, Soup cube production, Spice blend production, Cocoa instant drink production, Pectin jelly production;
- Salt extraction, salt production;
- Production and distribution of food products;
- Logistics.

MATERIALS AND METHODS

The research encompassed subsidiaries of AS Holding from the Sarajevo Canton, Tuzla Canton, Una-Sana Canton, and Zenica-Doboj Canton areas, and it was conducted through a questionnaire that addressed the basic requirements of sustainable development goals until 2030. Figure 1 depicts the 17 goals with the year 2030.



1. Eradication of poverty
2. Eradication of hunger
3. Health and well-being
4. Quality education
5. Gender equality
6. Drinking water and hygienic conditions
7. Affordable and clean energy
8. Decent work and economic growth
9. Industry, innovation and infrastructure
10. Reducing inequality
11. Sustainable citizens and sustainable communities
12. Responsible consumption and production
13. Response to climate change
14. Life under water
15. Life on land
16. Peace and justice/strong institutions
17. Partnership for goals¹

RESULTS AND DISCUSSION

Among the surveyed members of the food sector, four members, or 40%, are holders of ISO 14001:2015 certification, indicating a commitment to structured environmental management. Additionally, six members (60%) possess environmental permits and meet the basic requirements of legal regulations, demonstrating adherence to environmental standards within the legal framework.

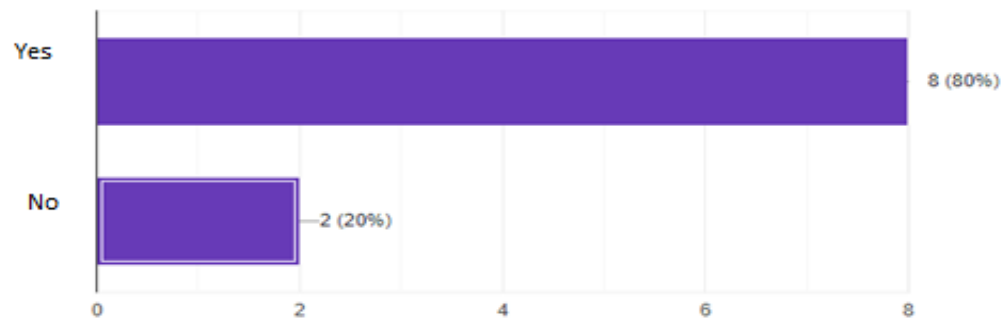


Diagram 1. Percentage of Responses to the Question: Has your company recognized the use of solar panels as a form of energy efficiency?

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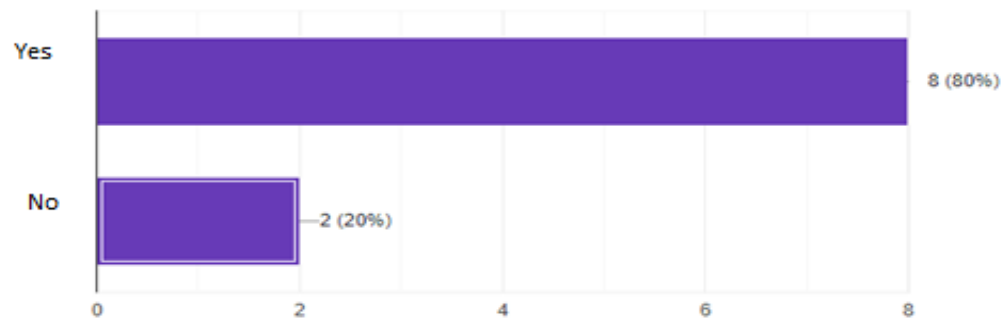


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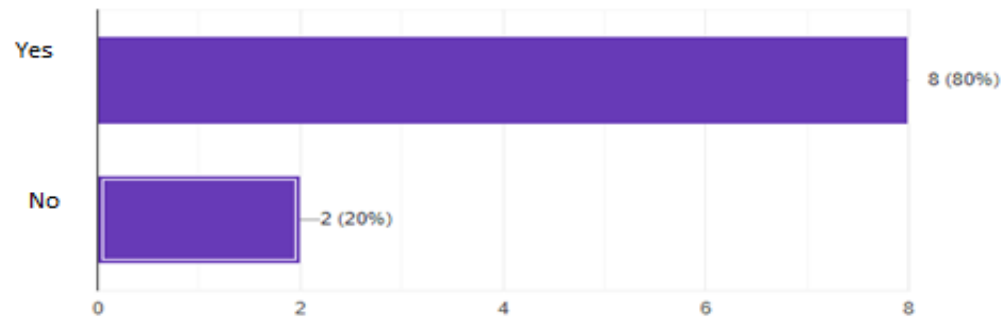


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RESULTS AND DISCUSSION

Diagram 3 shows data on certified social standards within AS Holding. Two companies possess ISO 45001 certification, defining a system for occupational health and safety. By implementing ISO 45001 requirements, the possibility of work-related injuries is minimized, the health of employees is protected, and safe and healthy workplaces are ensured.

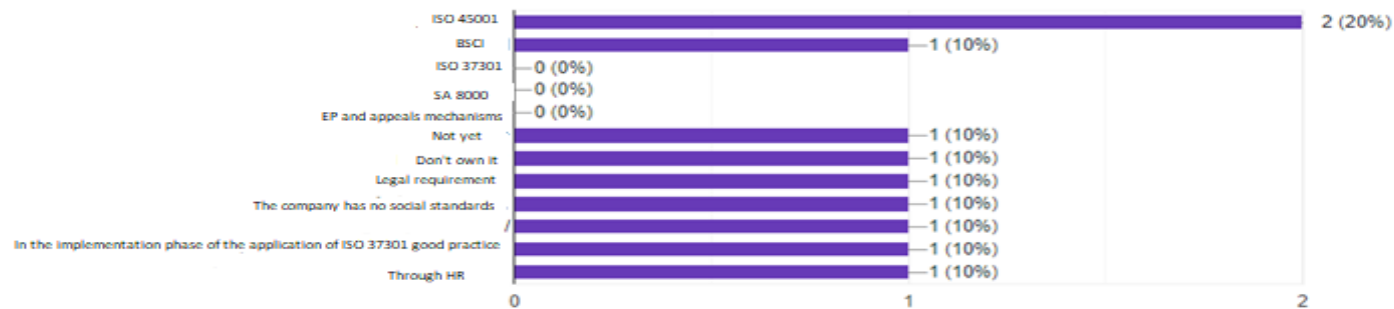


Diagram 3: Percentage Breakdown of Responses to the Question: Which social standards does your company possess?

RESULTS AND DISCUSSION

To achieve social development, AS Holding promotes diversity and inclusivity in the work environment, ensures fair labor practices throughout its supply chains, and collaborates with local communities. The survey results indicate that 80% of the members have actively included workers with various forms of disabilities who are equally integrated into the work system.

Within the surveyed companies, 70% have adopted ethical codes aimed at promoting business ethics, good business practices, principles of awareness and integrity, as well as ensuring transparency. Diagram 4 illustrates the areas that the code additionally covers.

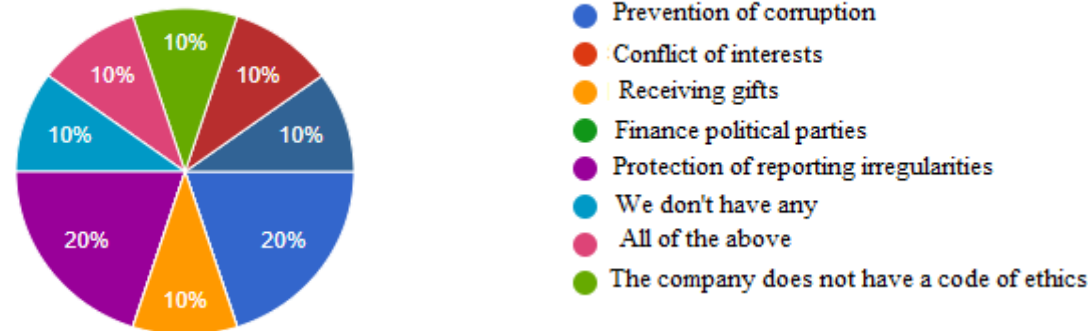


Diagram 4: Percentage Breakdown of Responses to the Question: If you have an ethical code, which areas does the ethical code cover?

RESULTS AND DISCUSSION

Security and health of customers are top priorities for AS Holding, consistently guided by the highest standards of product quality and safety for years. To more effectively achieve quality goals, ISO 9001:2015 standards have been implemented in 80% of the surveyed companies. This standard represents a cornerstone of quality management upon which other management systems have been subsequently integrated. These include ISO 14001:2015 for Environmental Management Systems, ISO 45001:2018 for Occupational Health and Safety Management Systems, RA and RSPO standards, as well as food safety and security standards as listed in Diagram 5.

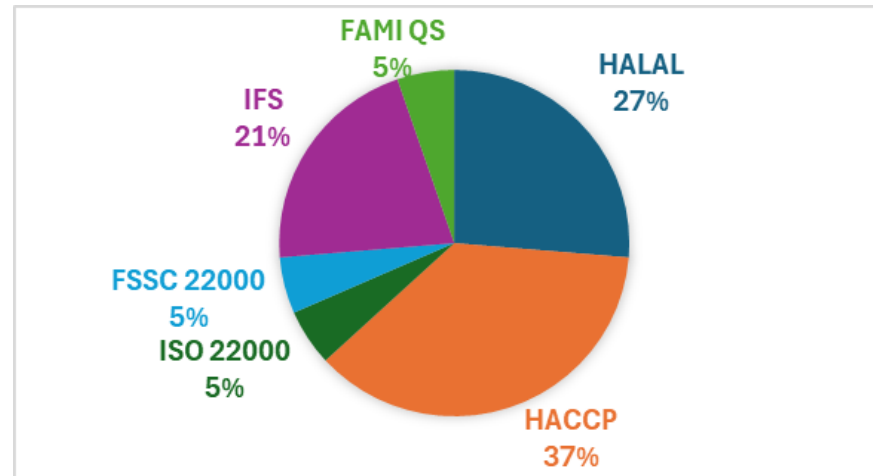


Diagram 5: Percentage Breakdown of Responses to the Question: Which food safety and quality standards does your company possess?



RESULTS AND DISCUSSION

Companies that possess both Halal and RSPO/RA standards have efficiently integrated their systems to meet these requirements:

1. Procurement Departments' Responsibilities: Member procurement departments are tasked with sourcing raw materials from suppliers who meet the requirements of all implemented and integrated systems. This means that cocoa beans and palm oil, as raw materials used in production, must adhere to both Halal and RSPO/RA standards.

2. Storage Requirements: The requirement for storing RSPO/RA materials is that they must be separated from other materials by 1 to 2 meters, which is also a requirement for Halal materials to be separated and clearly marked from other non-permissible materials.

3. Traceability Requirement: Accurate data regarding the purchased Halal and sustainably sourced materials must be known, including the exact quantity used in the production process (both in the finished product and by-products).

4. Production Line Segregation: Production lines must be clearly marked to prevent cross-contamination with non-permissible or non-sustainable materials.

These measures ensure compliance with both Halal and sustainable sourcing standards throughout the production process, maintaining product integrity and meeting consumer expectations.



CONCLUSION

- Out of the total surveyed 10 members within the AS Holding group, nine (9) possess the Halal standard, with five of them already having revised their documentation and aligned their production lines and processes with BAS 1049:2023. This demonstrates a proactive approach towards meeting industry standards and ensuring product quality and compliance with evolving regulatory requirements.
- As a critical control point in the Halal standard and a fundamental requirement of implemented sustainable development standards, the procurement process is key. This means no raw material can enter the manufacturing company without having a "halal" status. By incorporating the requirements of RSPO and RA standards, the supply chain from suppliers to consumers is ensured to be aligned with both Halal and sustainability principles. This ensures that the sourcing of materials is ethical, environmentally responsible, and compliant with Halal standards, meeting the expectations of both Halal consumers and sustainable practices.



CONCLUSION

- Based on the presented results of standardization in social, environmental, food safety, and sustainability standards, along with their integration and transition, it is evident that the basic requirements of ESG (Environmental, Social, Governance) strategy are being met.
- In many countries, Halal living is a lifestyle choice that extends into segments such as Halal baby food, indicating its potential as a growing sector in the coming years. Muslims currently spend around \$1.3 trillion on food and beverages, a figure predicted to reach \$1.9 trillion. The opportunities and challenges in the Halal food market are becoming highly promising segments for both products and services.
- AS Holding can serve as an example and driver of positive changes that will promote sustainable development not only in Bosnia and Herzegovina but also on a global scale. This mindset and approach have ensured AS Holding's competitiveness in both domestic and international markets, leading to excellent business results while respecting social and environmental responsibilities. By striving to minimize harmful impacts on the environment, AS Holding demonstrates its commitment to sustainability and responsible business practices, setting a benchmark for other companies to follow. This proactive approach not only benefits the company's bottom line but also contributes to a healthier and more sustainable future for communities and ecosystems.



TRY YOUR BEST TO EAT
Halal Good Food
AND STAY AWAY FROM
Haram Food

ALLAH ﷻ SAID,

يَا أَيُّهَا الَّذِينَ آمَنُوا كُلُوا مِن طَيِّبَاتِ مَا رَزَقْنَاكُمْ وَاشْكُرُوا لِلَّهِ إِن كُنتُمْ إِيَّاهُ تَعْبُدُونَ

O YOU WHO HAVE BELIEVED, EAT FROM THE GOOD THINGS WHICH WE HAVE PROVIDED FOR YOU
AND BE GRATEFUL TO ALLAH IF IT IS [INDEED] HIM THAT YOU WORSHIP.

[Al-Baqarah, 2:172]

Thank you !!