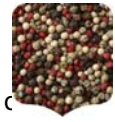




Content



- Royal Tropical Institute conference on sustainable spices
- The Dutch Sustainable Trade Initiative; a new approach
- Sustainable spice program
- Many questions to be answered



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Sustainable Spice Conference

- Gave momentum to the initiative of the Dutch Spice Association to make the sector more sustainable.
- First conference on sustainability in the spices sector

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What is sustainability?

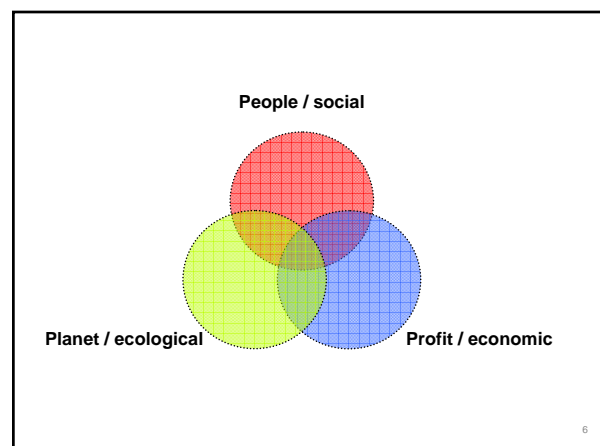
- Differs per sector, but the basic principle is the same
- Definition Brundtland.

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs.

It contains:
concept of "needs", in particular of the world's poor, to which overriding priority should be given; and idea of limitations imposed by state of technology and social organization on the environment's ability to meet present and the future needs.

Brundtland Commission, 1987

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Why do companies engage in sustainability?

Different reasons, mix of:

- Because we have to (e.g. laws, regulations)
- Because we ought to (moral/social/ecological principles)
- Because it pays off (e.g. via improved image, differentiate from competitors, positive HRM effect: 'employer of choice')

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Commitment of companies

- The only way for companies to preserve future profitability is by fully integrating sustainability into the core of its operations (statement by Akzo-Nobel)

Examples:

- **Mars:** 100% sustainable chocolate by 2020 (17% of world demand)
- **Unilever:** 100% sustainable tea & palmoil by 2015 (Tea alone is 12% of world demand)
- **IKEA:** 100% sustainable cotton by 2015

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Why sustainability in spices?

- Increasing consumption of spice and flavored food worldwide underlines importance of spice sector
- Competition from artificial flavour industry, but also rising demand for natural and organic products.
- Spices are important for poverty alleviation perspective → smallholders
- Spices contribute to biodiversity → positive for environment.

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Sustainable spices

- Sustainability means different things to different actors in the supply chain
- For farmers, a fair price, a secured income and a stronger position are important
- For international spice companies it reflects the demands of Western consumers in high quality, traceability and environmentally friendly products.
- We have to find the way in which all chain actors see the long term benefits of a sustainability journey.

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Sustainable spices

Sustainability in spices still needs to begin
Questions are:

- Is organic sustainable?
- Are standards and certificates the solution?

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Sustainable spices

Information and communication is

- Necessary to transmit requirements
- Necessary to have transparent supply chains
- Necessary to have "relations"

Fundament for sustainable spices

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Sustainable spices

- Long-term relations:
- Trust is important and trust is build by engagement.

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Sustainable spices

The role of the traders:

- direct contact with producers can be costly
- But traders need to be involved in quality control.

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Sustainable spices

The role of the government :

- The Dutch Ministry of Economics and Agriculture is of the opinion that producers and consumers themselves are responsible for improvements in sustainability.
- They take a facilitating role in this process

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Sustainable spices

The role of the retail:

- Spices are not strategic
- Creating an umbrella for all certifications
- Consumers can enforce retail to provide sustainable products through consumer groups
- Retailers recognize their role in communicating about sustainability

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Sustainable spices

- Where do we start
- When are we sustainable

We need pioniers!!

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Aligning forces

- Dutch Spice Association driver for sustainability
- Dutch Spice Association can't find the answers alone, it therefore requested Dutch Sustainable Trade Initiative to develop a sustainable spice program with the sector

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Key ingredients of Dutch Sustainable Trade Initiative

- Founded by the **Dutch government** in 2008
- Working towards sustainable supply chains and **market transformation**
- **Facilitating** acceleration and cooperation between companies, NGO's and governments
- Public equity sustainability **fund**,
- Initiator of **learning** and communication
- **Merging interests** of stakeholders
- Endorsed by business, unions, NGOs and government



IDH programs and goals



Sustainable spices program

- In the development phase; started Q2 2010
- Today 4 companies are involved in the program: Euroma, Intertaste, Unispices and Verstegen. Together with KIT formed a working group.
- Talks are being held with ngo's Cordaid and Both Ends.
- Focus on pepper and nutmeg
- Collaboration through the value chain is crucial



Many questions to be answered

- What are the **most urgent** sustainability issues?
- Are we all **committed** to sustainable trade?
- What are **sustainability drivers** for farmers?
- Do we need **sustainability certification**?
- How to get support **from local & international NGOs**?
- Is sustainable spice possible for **every spice** and **every country** of origin?

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**Sustainable supply chains:
We do have a choice!**



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There are two
ingredients for success:

**A solid
sustainable
business
case...**

**...and good
cooperation.**

Discussion