



# Lithos Spices



## Corporate Social Responsibility (CSR) policy of Lithos Spices

1.Stakeholders	2. Expectations	3. Relevance to core activities	4. Business Opportunities.
<b>Ethiopian Farmers</b>	Seek living-wages from their crops and employment of family members and education for their children	A balanced community and a fair price level will enable us to obtain the quality (GAP) and volumes of spices required and have these processed according to GMP.	Our clients in the EU and North America expect our spices to adhere to their MRL's (Max Residue Levels), and trust that we can deliver that quality OTIF (On Time In Full), without default
<b>Ethiopian Processors</b>	Seek clean and safe working conditions and living-wages	Good post-harvest treatment is key to obtain a high quality product	A high quality product finds its ways easily to customers, thereby avoiding rejection by customs or recall
<b>Ethiopian Government</b>	Wishes to deal with partners who pay a fair price in foreign exchange at the moment that the product is ready for shipping (Incoterm: FOB)	A good relation with the Ethiopian Government will smoothen export procedures and will help to gear agricultural training programmes towards spice farming	We can be assured that pricing is fair, custom procedures are transparent and smooth, shipment times predictable. Altogether that will result in a predictable cash flow
<b>Partners in supply chain:</b> Ethiopian inspectors Ethiopian Laboratory Ethiopian transport company International Logistics	Wish to offer their services at a fair market price and match their service performance to global standards	It gives our clients much confidence when they know the goods are inspected and tested pre-shipment and are then shipped by reliable partners	Reliable pre-shipment sampling gives us confidence that our FOB-payment will be for the right quality and volume. Our clients know beforehand that goods will be OTIF and our bank can rely on them paying
<b>EU clients</b>	Wish to buy high quality spices in terms of taste, colour, volatile oils, that also adhere to MRL's set by the EU legislator. Clients expect that we adhere to CSR	Only if we can match our customers expectations, we can develop a sustainable product flow and thereby create long term cash flow for our suppliers and solid for our customers	When we are consistent in quality and delivery, our company will prosper, we can pay our duties to banks, logistical partners, tax authorities
<b>EU Consumers</b>	End consumers take great care of the quality of their food and increasingly are considerate about the working conditions in countries of origin	When end-consumers rely on our quality ("Lithos-spices inside") it helps our clients (food processors) to build a stable market share	Confidence and reliability ensure that demand will be solid



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STAKEHOLDERS IN THE SUPPLY CHAIN			
Harvesting	Selecting	Drying	Packing
			

OECD guideline (theme)	Strengths	Improvement points
General & Human Rights	We pay upmarket pricing, thereby enabling our stakeholders to pay their employees living-wage. We stimulate education and respect to women; our suppliers are annually audited	We cannot control well the working conditions in local transport or on the (container)ships
Provision of Information	We keep records of GAP on farmers' level, incoming goods quality, processing steps, container stowing, transport, monthly sales	Tracking and tracing on farmers' level
Labour	We pay market conform but depend on the partner to share his income rightly with is employees.	Ensure proper distribution of remuneration
Environment	We stimulate cleaning close to the farm (keep extraneous matter in the region, drying under the sun (no CO <sub>2</sub> ), transport dry material only (avoid transporting "water"))	Microbiology of the washing water has to be improved
Anti-corruption	We restrict the number of actors in the supply chain to 1.Processor 2.Logistic partner 3.Buying party Lithos Spices	None for the moment



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OECD guideline (theme)	Strengths	Improvement points
Consumer Interests	We ensure that the end consumer gets the best value for money in terms of taste, colour and food safety AND can be assured that production is done by farmers and workers who receive living-wages	None for the moment
Science & Technology	We apply simple but effective technology to clean the harvested spice and ensure that drying is done on a clean surface. Packaging is new and double sided.	Yield per hectare is still low and must be improved by using better seeds and GAP
Competition	Lithos-Spices ensure that our produce adheres to EU regulations for clean & safe spice	Improve the image of Ethiopia as a high quality and reliable source of spices
Taxation	Our partners in the supply chain strive for transparent reporting of income statements	

TARGET	Short-term goals For the coming year.	Long-term goals What you want to achieve within 5 to 10 years.
<b>People</b>		
Living Wage for outgrowers	Ensure that outgrowers (farmers) are paid fair and market conform prices	Ensure that farmers improve their yield and are stimulated by our pricing and payment strategy to supply the desired volumes
Workers at the processing unit	Ensure good working conditions, living wages and timely pay for both men and women	Improve the living standards of the whole community
Consumers	Ensure sufficient supply of safe and clean spice to EU and North American consumers	Grow output from Ethiopia in line with world population growth and demand of 3% YOY
<b>Planet</b>		
Avoid depletion of the soils	Introduce appropriate crop rotation schemes	Improve yield



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<i>Minimise waste</i>	<i>Instruct the farmers to clean from sand etc before bringing to the processing unit (minimise tarra)</i>	<i>Avoid using chemicals when cleaning</i>
<i>Use natural resources for drying and minimise transport costs</i>	<i>Dry under the sun, transport only dried spice</i>	
<b>Profit</b>		
<i>Outgrowers</i>	<i>Ensure living wages</i>	<i>Enable investments in better seeds, GAP</i>
<i>Processor</i>	<i>Lithos-spices pays market conform prices, prompt when the goods are ready for shipment (FOB)</i>	<i>Help to increase value adding in Ethiopia by stimulating additional processing steps such as steam sterilisation and grinding</i>
<i>Our clients (food processors)</i>	<i>Supply clean &amp; safe spices with a superior taste &amp; colour profile which enables them to produce superior food and avoid mis productions</i>	<i>Ensure that Ethiopian Spice becomes a standard in the food processing industry</i>

<b>Goal</b>	<b>Activities</b>	<b>Responsible party, planning</b>
<i>Ensure proper pay to both men and women, avoid child labour and stimulate education</i>	<i>Audit our suppliers annually</i>	<i>Purchasing Manager</i>
<i>Improve yield of outgrowers</i>	<i>Instruct them on GAP</i>	<i>Processing partner in Ethiopia</i>
<i>Increase export volume of clean &amp; safe spice</i>	<i>Promote Ethiopia as a high quality and reliable origin</i>	<i>Marketing &amp; Sales manager</i>
<i>Improve quality of processing</i>	<i>Support placement of a sterilisation unit</i>	<i>Processing partner in Ethiopia + Lithos Spices</i>